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# ***Daily Report***

## **East Asia**

FBIS-EAS-94-102  
Thursday  
26 May 1994

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26 May 1994

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## **UN Disarmament Conference Opens in Hiroshima**

*OW2405024694 Tokyo KYODO in English 0217  
GMT 24 May 94*

[Text] Hiroshima, May 24 KYODO—Government officials and disarmament experts from some 20 countries, mainly in the Asia-Pacific region, opened a four-day United Nations conference on disarmament Tuesday [24 May].

But North Korea, branded as the major security risk in the region because of its alleged nuclear weapons program, did not send a delegation to the annual gathering for the second year in a row.

China, Pyongyang's close ally, canceled its participation at short notice, citing the date of the conference as inconvenient.

While the organizer, the U.N. Center on Disarmament Affairs, was eager to stress that China's absence "has no political meaning," the prevailing opinion at the conference is that the cancellation is due to the controversy over the nuclear issue.

Welcoming the 62 participants, Yoneo Hirata, parliamentary vice foreign minister, pledged that Japan will not aim at becoming a military power.

"We reconfirm our basic policy not to turn into a military power, but to develop an active policy of contributing to disarmament," Hirata said.

He called on North Korea to dispel suspicion that it plans to build nuclear weapons by fully accepting international inspections of its nuclear facilities.

Speaking at the first plenary session on "disarmament through regional dialogue," Japan's Liberal Democratic Party (LDP) President Yohei Kono proposed that all nuclear powers discuss nuclear disarmament at a special conference in Hiroshima next year.

Kono urged the atomic powers to show their devotion to nuclear disarmament by concluding a comprehensive ban on nuclear tests by August next year, which marks the 50th anniversary of both the atomic bombing of Hiroshima and Nagasaki, the only cities in the world to have sustained a nuclear attack, and the establishment of the United Nations.

Discussions at the conference are expected to focus on the promotion of security in the Asia-Pacific region and on the extension of the nuclear Nonproliferation Treaty (NPT), which comes up for renewal in 1995.

In the past, the 1968 international treaty, which aims at curbing the spread of nuclear weapons and fissionable material to nonnuclear countries, has been extended for five-year periods.

The nuclear powers, first of all the United States, have proposed to extend the NPT indefinitely, an approach opposed by many nonnuclear states on the grounds that such a move would perpetuate the nuclear "club" of Britain, China, France, Russia and the U.S.

After the end of the official part of the conference Friday, the participants, including New Zealand's minister for disarmament and arms control, Douglas Graham, and Russia's Ednan Agayev, director of analysis forecasting at the Foreign Ministry, are scheduled to meet with A-bomb survivors at a public symposium.

Earlier in the day, the disarmament experts visited the Peace Memorial Museum and prayed at the memorial cenotaph for victims of the atomic bombing in Hiroshima's Peace Memorial Park.

Similar meetings have been held every year in Japan since Kyoto hosted the first session in 1989. This year's conference is the sixth of its kind.

## **Deputy Prime Minister on Cairns Group Meeting**

*BK2505112194 Bangkok Radio Thailand Network  
in Thai 0000 GMT 25 May 94*

[Text] Deputy Prime Minister Suphachai Phanitchaphak reported the outcome of the recent meeting of a group of 14 agricultural products exporting countries, or Cairns Group, in Uruguay. He noted that several conclusions were made especially on a push to lessen protectionism and subsidies for agricultural goods in the world market.

On the occasion, the deputy prime minister said that Thailand proposed that the Cairns group include fishery products in its list of agricultural goods so that the group could together push developed countries to minimize their trade protectionism against fishery products from other countries. Their objective is especially focused on the United States, which often sets conditions for imported fishery products from other countries.

Moreover, Suphachai noted that the proposal will be greatly beneficial to Thailand. This is because fishery goods make up half of the total value of all Thai agricultural products. This proposal gained support from Australia, New Zealand, and Argentina. Nevertheless, Chile was still reluctant to follow suit for fear that the developed countries would use the proposal as a bargaining tool to open up marine resources as well.



## **Further on Pacific Basin Economic Council Meeting**

### **SRV, Malaysian Prime Ministers Meet**

*BK2405144394 Hanoi VNA in English 1357 GMT  
24 May 94*

[Text] Hanoi VNA May 24—Malaysian Prime Minister Mahathir Mohamad received in Kuala Lumpur yesterday Prime Minister Vo Van Kiet who is on an unofficial visit to Malaysia and attended the forum of the leaders of the Pacific Basin Economic Council (PBEC) there.

P.M. Mohamad and P.M. Kiet expressed their full satisfaction at the fine development of the friendship and multi-faceted cooperation between the two countries. They also exchanged views on concrete measures with a view to expand the Vietnam-Malaysia cooperation in the fields of industry, manufacture, building materials, tourism and industrial zone construction.

On the situation in Southeast Asia and the Pacific, the two prime ministers expressed their pleasure at the development of the trend for peace and cooperation. They stressed that regional countries should do their utmost to contribute to the consolidation of such trend, through negotiation to settle any difference on the basics of respect to each other and respect of international law.

P.M. Mohamad reaffirmed that Malaysia fully supported for Vietnam in its preparation to join in ASEAN as a full member.

### **More on Vo Van Kiet, Mahathir Talks**

*BK2505121094 Hanoi Voice of Vietnam in English  
1000 GMT 25 May 94*

[Text] Malaysian Prime Minister Mahathir Mohamed and his Vietnamese counterpart, Mr. Vo Van Kiet, have held an official talk in Malaysia. Vietnam prime minister was in Kuala Lumpur to attend the 27th International General Conference of the Pacific Basin Economic Council. The Voice of Vietnam summarizes the talks between the two prime ministers:

Mr. Mahathir and Mr. Kiet discussed bilateral multilateral relations and international issues of common concern. They expressed their satisfaction at the positive developments in the friendship and comprehensive cooperation between the two countries in the last two years. During this time, the two countries have repeatedly exchanged visits of high-level delegations. In January 1992, Prime Minister Vo Van Kiet visited Malaysia and in April of the same year, Malaysian Prime Minister Mahathir officially visited Vietnam. In March 1994, Vietnamese Party General Secretary Do Muoi also visited Malaysia. The visits have all helped broaden mutual understanding, consolidate mutual trust, and promote mutual comprehensive cooperation.

At present, Malaysia is among six ASEAN countries who have a large investment in Vietnam worth about \$75 million. Two-way trade turnover between the two countries at present is 20 times larger than 1985 figure of \$20 million. During the talks this time in Kuala Lumpur, the two prime ministers discussed concrete measures to strengthen cooperation in the production of construction materials, industrial construction, and tourism.

Concerning the situation in Southeast Asia and the Pacific, the two prime ministers expressed their satisfaction at the increasing trend for peace and cooperation in the region and stated: Nations in the region must join their efforts for consolidation of this trend, through which all disputes should be solved in the principle of mutual respect and respect for international law and practices.

Prime Minister Mahathir once again affirmed the support for Vietnam's admission to ASEAN as a full member which will benefit both Vietnam and Malaysia and cooperation for prosperity in the region.

### **SRV Delegates at Meeting on ASEAN Regional Forum**

*BK2505160294 Hanoi VNA in English 1423 GMT  
25 May 94*

[Text] Hanoi VNA May 25—Vietnam, represented by Deputy Foreign Minister Le Mai, attended a ministerial meeting of the ASEAN Regional Forum (ARF) on the regional political and security cooperation held in Bangkok on May 22-24.

The meeting was attended by representatives of six ASEAN countries, three observer countries namely Laos, Papua New Guinea and Vietnam, ASEAN's negotiating partners including Australia, Canada, the European Union, Japan, South Korea, New Zealand, the United States and consulting parties namely Russia, China, and the ASEAN secretary general.

The meeting was held to prepare for the first session of the ARF at the foreign ministerial level which is expected in Bangkok in July. The meeting discussed an agenda of the forum and exchanged views on the South-east Asian and North-East Asian regional issues as well as issues relating to the regional security and political cooperation.

Vietnam's participation in this meeting demonstrated its concern and goodwill to make practical contributions to the forum for peace, stability, security, development and prosperity in the region.

### **Australia Lists Planned ASEAN Development Projects**

*BK2605071894 Bangkok BANGKOK POST in  
English 26 May 94 p 21*

[Text] Australia will spend 32 million Australian dollars [A\$] over four years to develop telecommunications and environmental protection in ASEAN countries.



The spending, or eight million dollars a year, is part of the ASEAN-Australia Economic Cooperation Program and will be channelled through the Australia International Development Assistant Bureau (AIDAB).

Australia has outlined six projects for development in ASEAN:

- Coastal Zone Development and Resource Management.
- Waste Water Treatment Technology Transfer and Cleaners Production Demonstration.
- Environmentally-sound Energy Production and Waste Disposal from Biomass/Waste Supplemented by Fossil Fuels.
- ASEAN-Australia Forum Telecommunication Cooperation in Training which may be implemented with Information and Communication Technology for Sustainable Development.
- Electricity and the Environment: A Framework for Decision Making in the ASEAN Region.
- Development of Food Safety and Quality Assurance Systems for Marketing and Distribution of Fresh and Processed Horticultural Products in ASEAN.

AIDAB's Regional Programme Officer in Bangkok, Julie Angela Kaeowaen, said the projects are part of phase three of the cooperation program. Phase one was conducted during 1984-89 and phase two during 1989-94.

In each project, four consultants from Australia and ASEAN will visit every ASEAN member to conduct a

feasibility study and come up with an implementation plan that suits the development of that particular project.

The feasibility study has been conducted already for the coastal zone environment and waste water projects, and the consultant team arrives in Bangkok today to do the environmentally-sound energy production project.

The team to deal with the telecommunications project is expected to be here in late July. Eighteen participants from six ASEAN members will participate in each course under the project, which will include a training course in Australia that varies from ten days to ten weeks depending on the course.

Miss Kaeowaen said 25 courses will be conducted under the telecommunication project, three courses will concentrate on policy and regulations, eight courses on economics and management and the rest on technology.

The participants will include academics, company executives and government officials, who will be selected by the Thai Foreign Ministry.

Australia also launched a project under the Linkages Stream for one year, granting A\$25,000-250,000 to applicants who seek funds to support a technical and investment feasibility study aimed at encouraging investment exchanges between ASEAN and Australia, mutually beneficial trade, investment promotion and related projects.

Thailand has had the most response to this project, with 260 applications for the funds.



## Japan

### Further Reportage on U.S. Framework Talks

#### Talks To Be Held in June

OW2605110894 Tokyo KYODO in English 1056  
GMT 26 May 94

[Text] Tokyo, May 26 KYODO—Japan and the United States will hold working-group meetings in Tokyo June 1-2 to discuss two key areas for negotiations in bilateral trade “framework” talks, a government source said Thursday [26 May].

The source said the early June meetings will deal with the issues of insurance, and autos and auto parts, two of the three sectors specified as “priorities” in the framework talks.

For the auto sector, vice ministerial-level talks are also slated for the second week of June in Tokyo.

The series of meetings are the first since the two countries agreed earlier this week to resume the framework negotiations, agreed last July to bring down Japan’s large trade surplus with the U.S.

The trade process had been stalled since February this year due to differences over a U.S. demand to set numerical targets to gauge the openness of the Japanese market. Japan has staunchly refused the demand.

A working-group meeting for the remaining area—government procurement—has not yet been set, but will likely be held within the month of June.

#### Tokyo To Accept New U.S. Demands

OW2605063294 Tokyo KYODO in English 0626  
GMT 26 May 94

[Text] Tokyo, May 26 KYODO—A senior Japanese trade ministry official said Thursday Japan will basically respond favorably to the latest U.S. request for including five additional trade areas in priority sectors under the so-called bilateral “framework” talks.

U.S. negotiators seem interested in discussing a wide range of trade sectors with Japan in line with the framework’s three priority fields of government procurement, insurance services and trade in auto and auto parts, said Hideaki Kumano, vice international trade and industry minister, at a news conference.

The five areas cited by U.S. Trade Representative Mickey Kantor as new priority fields are financial services, sheet glass, forestry products, intellectual property rights and deregulation for supporting competition policy, according to reports in Washington.

The Ministry of International Trade and Industry is prepared to discuss the areas with Washington while working out a timetable for talks, Kumano said.

Negotiations to establish a new framework on the original three sectors were to have been concluded by last February’s summit between the two countries. But the talks became deadlocked when neither Tokyo nor Washington yielded in the summit over their definitions of “objective criteria” for measuring American access to the Japanese market.

Following Thursday’s accord to restart the framework talks, both parties are expected to soon return to the negotiation table on the three priority fields.

#### Nature of Objective Criteria Agreed

OW2605114094 Tokyo KYODO in English 1118  
GMT 26 May 94

[Text] Tokyo, May 26 KYODO—Japan and the United States have agreed that the nature of U.S.-proposed objective criteria for measuring the openness of Japan’s market should be based both on quantitative and qualitative standards, according to papers of a bilateral agreement revealed Thursday [26 May].

The two countries agreed Tuesday to resume stalled trade “framework” talks on the three priority areas—automobile and auto parts, insurance and government procurement of telecommunications and medical equipment.

Although the two governments agreed not to make public the contents of the papers they exchanged Tuesday, sources close to the negotiations said that “by making clear the goals in each trade area, the separate negotiations will be able to focus more on the proposals.”

The papers showed the two sides also confirmed that objective criteria be based on both quantitative and qualitative standards, and that no numerical targets be set.

Japan and the U.S. also clarified the goals in considering the criteria for measuring liberalization and the specific deregulation measures in the three markets.

According to the papers, the goal for the automobile and auto parts sector is a greater opportunity for entry, while that for the government procurement sector is a major increase in foreign products and services. For the insurance area, the goal is to end obstacles to entry.

In future negotiations, the U.S. is expected to ask Japan to increase the number of outlets dealing with imported cars and car parts, and to take action that will make it easier for Japan’s automobile dealer networks to sell foreign products, the sources said.

As for government procurement, the U.S. will probably ask for improvements in bidding procedures and demand a larger share by foreigners by basing objective criteria on the scale of foreign product procurement, the sources said.



In the insurance sector, they said the U.S. will likely ask for an introduction of the broker system and for changes in Japan's practice of "keiretsu," or system of interlocking shareholding among companies.

### **Kakizawa Hopes for UNSC Seat With Veto Power**

OW2605125494 Tokyo KYODO in English 1222 GMT 26 May 94

[Text] Tokyo, May 26 KYODO—Japanese Foreign Minister Koji Kakizawa voiced hopes Thursday [26 May] that Japan will be awarded the veto powers held by Britain, China, France, Russia and the United States if it is admitted as a permanent member on a revised UN Security Council [UNSC].

"It is okay for us to join the ranks of the permanent security council countries in the future, provided veto powers are not abused or exercised serving the ego of the big powers," Kakizawa said.

Kakizawa made the remarks in response to a question by Liberal Democratic Party (LDP) legislator Setsu Shiga during Thursday's session of the House of Representatives Budget Committee.

The foreign minister apparently aims at closing ranks with Germany, another candidate for permanent membership in the key UN body, which already declared it will accept a permanent seat only if given full veto powers.

The current council groups five permanent seats held by the major victors of World War II and 10 nonpermanent seats, which are rotated every two years among member states of the United Nations.

With its veto, a permanent member can block any council decision.

While most of the five have voiced support for Japan's and Germany's bids to become permanent members, they have not made it clear whether they would be vested with the same rights.

Asked by another LDP legislator Wataru Hiraizumi how Japan, bound by its pacifist constitution, would respond to calls for UN-led collective defense, Kakizawa said, "Chapter 7 of the UN Charter stipulates that a special agreement be concluded before a country decides to participate in military measures.

"Therefore it is not contradictory to participate in UN operations on a scope the constitution allows for," Kakizawa said, noting that Japan has accepted the whole of the UN Charter.

Chapter 7 stipulates that member countries in case of breaches of peace and acts of aggression make available forces, assistance and facilities "in accordance with a special agreement or agreements."

Countries are subject to ratification "in accord with their respective constitutional processes," the charter says.

In a related comment, Prime Minister Tsutomu Hata said Japan "must deepen the ongoing thorough discussion" before deciding on its response if the UN forces are set up.

### **Foreign Ministry Eyes Topics for New GATT Round**

OW2505123894 Tokyo KYODO in English 1215 GMT 25 May 94

[Text] Tokyo, May 25 KYODO—The Foreign Ministry plans to set up a panel to study possible topics for the agenda of the next global trade negotiations that will succeed the Uruguay Round of multilateral trade talks, ministry sources said Wednesday [25 May].

The sources said the planned panel indicates Japan's desire to take the initiative in launching the next round of global trade negotiations.

The study group, led by the ministry's Economic Affairs Bureau, will be focused on possible agenda subjects for the next round, such as the relationship between trade and environment, trade and labor, and trade and investment, as well as regionalism.

It will work out draft proposals on these themes by November and announce them at meetings of the World Trade Organization (WTO), which is scheduled to take form in January to replace the General Agreement on Tariffs and Trade (GATT), and the Organization for Economic Cooperation and Development (OECD).

The draft proposals will reflect opinions from academics and private-sector firms as well.

Just days after the Uruguay Round trade pact was signed in April, major powers began shifting to the next round of trade talks.

### **NHK Panelists Discuss DPRK Nuclear Issue**

OW2505082094

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 22 May, in its "Sunday Discussion" program, carries a live 75-minute roundtable discussion. Present at the discussion are Koji Kakizawa, foreign minister; Atsushi Kanda, Defense Agency director general; Taku Yamasaki, deputy secretary general of the opposition Liberal Democratic Party [LDP]; Kosuke Uehara, a member of the opposition Social Democratic Party of Japan [SDPJ]; Hajime Funada, standing secretary of Shinseito [Japan Renewal Party]; Chikara Sakaguchi, chairman of Komeito's Policy Research Council; Shoichi Ide, chairman of the Sakigake [Harbinger Party] General Council; Hiroshi Kikunami, chairman of the Japan Communist Party [JCP] Policy Committee. The discussion is moderated by NHK commentator Takashi Yamamoto.



Yamamoto begins the discussion by raising the issue of the DPRK's suspected development of nuclear weapons for discussion and then asks Kakizawa to comment. Kakizawa states: "The international community has been making efforts to clear up suspicions about North Korea's development of nuclear arms. The United States and other nations, including China, have continued to urge North Korea through dialogue to work to allay international concern. I believe the effort by the United States and other nations are paying off little by little while making North Korea understand." Kakizawa goes on to say: "The international community has been concerned about North Korea's unilateral replacement of fuel rods at an experimental nuclear reactor. According to a news release issued this morning by the IAEA however, North Korea has notified the IAEA of its intention to allow IAEA inspectors to check the replacement of the fuel rods and the experimental nuclear reactor in the future. I hope that North Korea will move that way in the future." Asked by Yamamoto to comment about the prospect of the United States and North Korea resuming the third round of their high-level talks, Kakizawa cites remarks by U.S. Assistant Secretary of State Gallucci and says: "The third round of the high-level talks will be held between the two countries." Asked by Yamamoto to comment on the reports that North Korea intends to buy time instead of seeking an early settlement to the nuclear dispute, Kakizawa points to North Korea's past capriciousness in dealing with the nuclear issue and notes that "progress is being made little by little in the dialogue."

Turning to the Hata Cabinet's handling of Japan's security policy and the nuclear issue, Yamamoto asks panelists to comment. Yamazaki states: "The issue of North Korea's suspected development of nuclear arms is a vital issue to Japan and Japan needs to vigorously deal with the issue. I believe that Japan needs to prepare itself to properly deal with economic sanctions against North Korea once they are imposed. In this connection, Chief Cabinet Secretary Kumagai has stated the government has prepared for emergency legislation. However, my understanding is that the government has not yet prepared for the emergency legislation at all," adding that Japan should make diplomatic effort to persuade the DPRK.

Uehara says: "The SDPJ takes the view that the Korean peninsula should remain free of nuclear. The SDPJ also has been concerned about North Korea's suspected development of nuclear arms. Our party has long advocated settling the nuclear issue through dialogue since it was in the Hosokawa government as a coalition partner."

Noting the importance of dialogue, Funada states: "A set of policy agreements reached among the coalition partners stipulates that Japan should act within the framework of the United Nations, the Japan-U.S. Security Treaty, and the Japanese Constitution if the dialogue does not go well as hoped."

Kikunami notes that "the JCP has harshly condemned North Korea for waging international terrorism" and states: "What is important for now is not to seek economic sanctions, but to seek a political and peaceful settlement to the nuclear issue."

Discussing the government's handling of the issue of the DPRK's suspected development of nuclear weapons, Kakizawa states: "Japan and North Korea have so far held eight rounds of normalization talks; at these talks, Japan has urged North Korea to allay the international community's concerns over its nuclear program. Regrettably, the Japan-North Korea normalization talks have remained stalled since the talks were broken off over the Yi Un-hae issue [the DPRK's alleged abduction of a Japanese woman] in November 1992. The government has told North Korea that Japan is willing to resume the normalization talks. Japan has notified North Korea of its requests through diplomatic contacts in Beijing and the United Nations although I cannot go into details about the requests. In this way, Japan, for its part, has worked to settle the nuclear issue."

Yamamoto raises the question of reinterpreting the Constitution to allow Japan to exercise the collective self-defense right and then asks panelists to comment. Kakizawa states: "The situation surrounding Japan's security has become very grim and the international situation surrounding Japan's security also has changed. Looking at the results of a recent poll, many people are concerned about this situation and speak of the need to debate how Japan should deal with it. I have proposed that national debates be held on the relationship between the Constitution and Japan's exercise of the collective self-defense right." Kanda states: "The government is going so far as to reinterpret the Constitution to allow Japan to exercise the collective self-defense right." Uehara notes the SDPJ's effort to alter its long-established security policy and says: "The SDPJ has to honor the policy agreements reached between the SDPJ and other coalition partners."

Turning to economic sanctions against the DPRK, Yamamoto asks Funada to comment on what Japan should do if the economic sanctions are imposed. Funada states: "In principle, the issue of North Korea's suspected development of nuclear weapons should be settled through dialogue. Various actions should be taken against North Korea if the dialogue does not go as hoped. The question can be raised about how Japan should act within the framework of the United Nations. If the United Nations makes various recommendations and adopts various resolutions, Japan should of course deal with them within the framework of the Japan-U.S. Security Treaty, the Japan-South Korea Friendship Treaty, and the Constitution. What I have advocated is that Japan should deal properly with the economic sanctions within constitutionally permitted limits."

Noting that "it remains uncertain whether China will vote for the economic sanctions or not," Sakaguchi states, "Komeito hopes that the United Nations will



decide to slap on the economic sanctions if the nuclear issue is not satisfactorily resolved. But the United Nations may fail to slap the economic sanctions against North Korea and Japan will have to think of what it should do if the United Nations fails to slap the economic sanctions."

Discussing the possibility of a naval blockade against the DPRK under the economic sanctions, Yamamoto asks panelists to comment on how Japan should deal with the naval blockade. Kanda says: "If the naval blockade is imposed, the Defense Agency will deal with it in consultation with the Foreign Ministry," adding that he hopes such a naval blockade will not be imposed.

Kakizawa states: "Mr. Yamazaki said just a while ago that the government is not prepared for the naval blockade. I think that various ministries and agencies have been asked to study how Japan should deal with the naval blockade. Now, the international community is working to settle the nuclear issue through dialogue. In view of moves taking place yesterday and today, there is a possibility that the nuclear issue could move in a good direction. Therefore, I would like to refrain from openly discussing what Japan should do if the dialogue does not go well."

Ide says: "The nuclear issue should be settled through dialogue. With regard to economic sanctions, North Korea has been isolated economically from the rest of the world and I believe that economic sanctions will not yield the desired results. Economic sanctions will not produce the desired effect if China refuses to go along with them since it shares a border with North Korea."

Kikunami reiterates the importance of dialogue and notes that the "set of policy agreements reached among the coalition partners aims to let Japan join the economic sanctions." Citing a congressional report in the United States, Kikunami says: "The United States plans to use nuclear weapons, impose a naval blockade against North Korea, and launch air strikes on North Korea's nuclear facilities."

Kakizawa notes that the United States and European nations are deeply concerned about the DPRK's suspected development of nuclear weapons, adding that "according to a poll, a majority of Japanese are greatly worried about North Korea's suspected development of nuclear weapons." Kakizawa also stresses that "the government has been working for a peaceful settlement to the nuclear issue instead of whipping up a sense of crisis among the people."

Continuing the discussion of how Japan should deal with economic sanctions against the DPRK, Sakaguchi notes the importance of defending the security and peace in Asia and the Far East including Japan and states: "It is important and a matter of course to seek a settlement to the nuclear issue through dialogue."

Yamazaki states: "The diplomatic efforts have been left to the United States and North Korea, and I believe that

this is not desirable. I think that Japanese politics should move to settle the nuclear issue."

Kakizawa says: "Japan has continued diplomatic contacts with North Korea in Beijing and the United Nations. North Korea's basic policy is that it is not in a position to discuss the nuclear issue with Japan. As you well know, North Korea has been attaching great importance to dialogue with the United States. North Korea has been moving to link the nuclear issue to normalizing relations with the United States. Japan has maintained close contacts with the United States and South Korea. With regard to the question of whether Japan should participate in the U.S.-North Korea talks, Japan has to make a realistic judgment. As Mr. Yamazaki indicated a while ago, Japan thinks that it has to do something. However, I believe that it is proper for Japan to take a wait-and-see attitude."

Discussing the question of putting economic sanctions on the DPRK, Kikunami states: "The JCP is opposed to North Korea possessing any nuclear weapons. The JCP is opposed to it from the standpoint of keeping the world free of nuclear weapons. To speak of the U.S. and Japanese Government positions, the United States presently possesses 10,000 nuclear warheads and it will retain them forever. Therefore, the United States has asserted that the Nuclear Nonproliferation Treaty [NPT] should be extended indefinitely. The United States thinks that there is no problem with its nuclear weapons, but it does not tolerate other nations possessing them. The United States has asserted that if one nation is suspected of developing nuclear weapons, then it will face economic sanctions. This is illegal."

In response, Kakizawa notes that "India and other nations have indicated problems with the NPT" and says: "In reality, many other nations are greatly concerned about nuclear proliferation. Therefore, Japan believes that the NPT should be in place as written."

Asked by Yamamoto to comment on the NPT, Yamazaki says: "If North Korea has nuclear weapons, I would oppose extending the NPT indefinitely. At present, however, I favor extending the NPT indefinitely. If one of Japan's neighboring nations becomes a nuclear power, causing the fear of global nuclear proliferation, Japan should not agree to extend the NPT indefinitely."

Kakizawa responds: "If North Korea possesses nuclear weapons, it would bring a major change to the current security framework for Northeast Asia. I think that such a major change will not be in the interest of Japan's security. Therefore, Japan has worked hard for a nuclear-free Korean peninsula. Japan has announced to the world that it will honor the NPT. The government has no intention of altering that policy."

Turning to the subject to Japan's bid for a permanent membership in the UN Security Council [UNSC], Yamamoto says Prime Minister Hata is vigorously pushing for Japan's bid and then asks the panelists to



comment. Kakizawa discusses the reform of the United Nations including the UNSC and says: "The mood is growing that Japan's affiliation with the UNSC as a permanent member will serve to strengthen the UN's functions. With that mood in mind, Prime Minister Hata has said Japan intends to contribute to the international community within the constitutionally permitted framework as a permanent UNSC member."

Kanda states: "The Hata government intends to make Japan join the UNSC as a permanent member and I personally support this intention."

Funada says: "In principle, the ruling coalition parties support Japan's affiliation with the UNSC as a permanent member."

Yamazaki says: "In principle, the LDP supports Japan becoming a permanent UNSC member," adding that it is necessary to hold national and political debates on the question of Japan's affiliation with the UNSC as a permanent member. Yamazaki also stresses: "Japan should have a decisive say in the UNSC."

Sakaguchi says: "Domestic debates should be held before Japan joins the UNSC as a permanent member. I think that Japan should become a permanent UNSC member since it is the second largest financial contributor to the United Nations, following the United States."

Uehara says: "I do not oppose Japan joining the UNSC as a permanent member if conditions are created whereby a way opens for Japan to become a permanent UNSC member."

Ide states: "Japan should not openly seek to become a permanent UNSC member because Japan has yet to decide what it can do after joining it. Although the United States and Britain support Japan becoming a permanent member, that does not mean that they are asking Japan to take that status."

Kikunami states: "The JCP opposes Japan becoming a permanent UNSC member from a constitutional standpoint." Explaining reasons for the JCP's opposition, Kikunami cites the possibility of Japan getting involved in UN-sanctioned military actions.

Commenting on Kikunami's statement, Kakizawa says: "Japan will participate only in PKO [UN peacekeeping operations]. Even if the United Nations creates a force in accordance with Article 42, the member nations cannot participate in the force unless they conclude an agreement with the United Nations in accordance with Article 43," adding that the United Nations does not intend to create the force immediately.

Turning to the political situation, Yamamoto notes remarks by SDPJ Secretary General Kubo that if the Hata Cabinet resigns en masse after the 1994 budget bill is passed in the Diet, the SDPJ will aim to return to the ruling coalition and form a new coalition government.

Yamamoto asks panelists to comment on Kubo's remarks. Yamazaki says: "Mr. Kubo has made important remarks."

Uehara states: "Mr. Kubo's remarks are important. I believe that the SDPJ will debate his remarks. If the ruling coalition parties value the SDPJ, they should listen to what the SDPJ has advocated."

At 0115 GMT, Yamamoto concludes the roundtable discussion after thanking the panelists.

### Visiting Saudi Minister Seeks More Joint Ventures

*LD2505162694 Riyadh SPA in English 1239 GMT  
25 May 94*

[Text] Tokyo, May 25, SPA—Custodian of the two holy mosques, King Fahd Bin-'Abd-al-'Aziz has sent a message to the Japanese Prime Minister Tsutomu Hata. The message was handed over by Hisham Nazir, the Saudi minister of petroleum and mineral resources, who was received by the prime minister at the parliament headquarters here on Tuesday.

Following the meeting, Nazir told the SPA that he also conveyed to Mr Hata the interest of King Fahd for promotion of the bilateral relations between the two countries in various fields.

Nazir also expressed satisfaction over the four-decade friendship ties between the Kingdom of Saudi Arabia and Japan as the Kingdom is regarded as the biggest oil exporter to Japan which imports about 25 percent of its oil needs from the kingdom which is, on turn, regarded among the biggest importers of the Japanese products.

Minister Nazir said the kingdom is looking forwards for setting up more economic joint ventures with Japanese partners including a joint petroleum project for refining and distribution of the Saudi Aramco's oil products in Japan's markets.

He said the Japanese prime minister and other concerned ministers with which he met, have expressed support for the establishment of the joint venture which will be run by the Saudi Aramco and Japanese oil companies inside Japan.

Nazir also met on Tuesday with the Minister of Foreign Trade and Industry Eijiro Hata and the meeting was attended by the Saudi Ambassador to Japan Fawzi Shobokshi, the chairman of Saudi Aramco 'Ali al-Na'imi and members of the delegation accompanying him.

### Tokyo Extends \$15.25 Million To Aid Palestinians

*OW2605105094 Tokyo KYODO in English 1028  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—Japan has extended a total of 15.25 million dollars to finance the Palestinians'



administrative expenses in the Gaza strip and Jericho, a senior Foreign Ministry official said Thursday [26 May].

The assistance is part of the 200 million dollars Japan pledged last October to provide over two years to finance reconstruction of the West Bank town of Jericho and the Gaza strip, the official said.

Of the total, the government disbursed 3.5 million dollars to a World Bank fund dubbed the "Holst Fund," which aims at financing administrative expenses, he said.

The fund is named after the late Norwegian Foreign Minister Johan Holst, who played an instrumental role in brokering the agreement between Israel and the Palestine Liberation Organization (PLO) last September for limited Palestinian self-rule in the occupied territories.

The fund has so far collected 25 million dollars, but it is expected to fall short by 20 million to 25 million dollars in June because of the lack of administrative systems such as tax collection, the official said.

On a yearlong basis, the shortage is expected to amount to some 120 million to 130 million dollars, he said.

Tokyo also disbursed 10 million dollars through the United Nations Development Program (UNDP) to provide houses for 800 families of Palestinian police and 250,000 dollars to purchase computers for the police, he said.

Another 1.5 million dollars was extended to the Palestinian Economic Committee for Development and Reconstruction (PECDR), he added.

#### **Tokyo, Paris To Ease Construction Materials Inspections**

*OW2605055694 Tokyo KYODO in English 0538  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—Japan and France agreed Thursday [26 May] to hold talks to exempt construction materials being traded between the two nations from inspection, Japanese Government officials said.

Japan's Construction Ministry and France's Housing Ministry will confirm which materials will be eligible for exemption by the end of October.

The plan, which is slated to come into effect in November, will also cover construction methods.

France will be the first country to agree to have talks on such a reciprocal requirement with Japan, though Japan hopes to make a similar agreement with the United States and with Canada, they said.

An examination is required for construction materials and methods by each government for safety measures against strength or fire. But each country has its own requirement.

For instance, a certain French construction material that meets French standards has to be checked again in Japan when it is imported here.

#### **Tokyo-Seoul Accord To Assist Small Companies**

*OW2605131794 Tokyo KYODO in English 1238  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—Japan and South Korea on Thursday [26 May] agreed to formulate a joint program to assist small and medium-sized South Korean companies.

The accord was reached when Japanese International Trade and Industry Minister Eijiro Hata met with his South Korean counterpart, Kim Chol-su, in Tokyo to attend the Japan-South Korean meeting of trade ministers.

During the one-day, one-hour meeting, Hata said Tokyo will maximize its efforts to expand economic relations through further industrial cooperation with South Korean companies.

The joint program is aimed at facilitating industrial restructuring in South Korea, especially among small companies, in an effort to narrow bilateral trade imbalance in favor of Japan, an official at the Ministry of International Trade and Industry (MITI) told a news conference.

The program calls for regular studies of ways to encourage technological transfer from Japan to South Korea, promotion of human exchanges to reinforce technological foundations at small South Korean companies, and expanded marketing support of such companies by Japanese organs such as the Japan External Trade Organization.

Japanese businesses will also be encouraged to step up direct investment in South Korea, the MITI official said.

To that end, Japan will send study missions to Seoul and other South Korean cities, while South Korean delegations will visit Japan to lure prospective Japanese investors, the official said.

The two countries will select small South Korean firms in "supporting" industries such as household electrical appliances parts, electronic components, general machine parts and auto parts.

Selected companies will serve as model firms under the program, the MITI official said.

Hata and Kim also discussed how to upgrade South Korea's investment conditions for foreign companies.

Specifically, the MITI chief asked Seoul to remove measures that hamper smooth foreign investment, including a rule restricting activity of foreign trading houses.



Kim replied Seoul will study the request positively, the MITI official said.

Japan also will send its first investment study mission to South Korea this fall, the official said.

Hata and Kim agreed to launch a joint working bilateral panel to enhance mutual cooperation in multimedia and other information-related areas.

The joint program is in line with proposals made last March during the summit between then Japanese Prime Minister Morihiro Hosokawa and South Korean President Kim Yong-sam.

Thursday's meeting was the third of its kind to be held between Japanese and South Korean trade ministers, following those in Tokyo in 1992 and in Seoul last year.

Kim Chul-su arrived in Tokyo earlier in the day for a two-day stay, the first South Korean cabinet minister to visit Japan since the government of Prime Minister Tsutomu Hata was formed in late April.

#### **Food Agency To Suspend Imports of Thai Rice**

*OW2605093694 Tokyo KYODO in English 0835  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—Japan will suspend imports of long-grain rice from Thailand, which has accounted for one-third of all imported rice since the government began importing the grain after the worst rice harvest last year in the postwar period, government officials said Thursday [26 May]. Long-grain Thai rice imports reached 570,000 tons, against total rice imports of 1.7 million tons.

The Food Agency made the decision as contracts on purchases of Thai rice expired in April, the officials said. They also cited anticipated boarding troubles of the Thai rice during the May-June period, the usual rainy season in Thailand. But some experts say the real reason for the decision is sluggish sales of long-grain rice, unpopular among Japanese who favor short- or medium-grain rice.

The agency, which plans to stop sales of Thai rice to wholesalers at the end of August, has signed contracts to buy about 400,000 tons of short- or medium-grain rice from China, the United States and Australia as of Wednesday, the officials said. The agency plans to purchase an additional 750,000 tons of rice with expectations of another off-crop season.

Sales of Chinese, U.S. and Australian rice to domestic wholesalers will begin in September and October, according to the officials.

#### **SDPJ's Kubo Urges Prime Minister Hata To Resign**

*OW2605023294 Tokyo KYODO in English 0141  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—A senior leader of the Social Democratic Party (SDP) on Thursday [26 May] called on Prime Minister Tsutomu Hata to resign once the state budget clears the Diet and before a no-confidence vote so as to fashion a new coalition government.

"I believe the coalition's continued hold on power is the demands of the times," SDP secretary general Wataru Kubo told reporters after meeting Hata at the premier's official residence.

"I told (Hata) a voluntary resignation is one option if he wishes to form a new coalition government and solidify his power base," he said.

Hata replied that he will strive to fulfill his duties as head of government, Kubo said.

Hata agreed to meet SDP chairman Tomiichi Murayama, leader of the second largest opposition party, whenever necessary, to compare notes on issues of mutual concern, Kubo said.

Kubo also said Saturday that the Hata cabinet should resign as soon as the fiscal 1994 budget wins Diet approval, and before the opposition camp submits a no-confidence motion against the government.

Kubo, the No. 2 man in the SDP, said this to Japanese reporters traveling with him on his trip to China, indicating the SDP may move to bury the hatchet with its former coalition partners and join a new ruling union.

Questioned Thursday about the possibility of the SDP's return to the coalition, Kubo said he did not discuss the matter with the premier in their meeting.

In late April, the SDP broke away from the coalition in protest against the formation by other coalition parties of a new parliamentary group excluding the SDP, the alliance's largest contingent.

As a result, Hata was forced to lead the first minority government since 1955.

The Liberal Democratic Party (LDP), the largest opposition group, has threatened to introduce a motion of no-confidence against the Hata cabinet after passage of the budget.

Defeat on such a motion would leave the premier with a choice of either resigning or calling a snap general election.

If Hata quit after a no-confidence vote, Kubo said, he would have no other choice but to hand the reins of government over to the LDP.



On the other hand, he said, if a snap poll is called after Diet passage of the budget, it should be contested under the current multiseat electoral system, which is to be replaced by a new system combining single-seat constituencies with proportional representation.

Hata contends that the next general election must be called under the new system, which, however, requires the enactment of a bill to redraw the electoral map. To hold an election under the old system would be to abandon political reform, he says.

Kubo visited Hata to relay the reply of Chinese President and Communist Party General Secretary Jiang Zemin to the premier's personal letter he handed over when he met the Chinese leader.

### **Poll Shows Majority Opposition to Early Election**

*OW2605003094 Tokyo KYODO in English 2335  
GMT 25 May 94*

[Text] Tokyo, May 26 KYODO—Nearly 60 percent of respondents do not want an early dissolution of the House of Representatives for a snap general election, according to an opinion survey released by a major newspaper Thursday [26 May].

The poll, conducted nationwide by the YOMIURI SHIMBUN on Saturday and Sunday, showed 59 percent of respondents said there is no need to rush to dissolve the lower house to call a general election, while 31 percent wanted a lower house dissolution for a general election immediately after passage of the fiscal 1994 state budget.

Asked which party they will vote for if a general election is held, 29 percent said they will vote for the LDP [Liberal democratic Party], 13 percent cited Shinseito, 8 percent preferred the Social Democratic Party [SDPJ], 5 percent supported New Party Sakigake and the Japan New Party [JNP], while 3 percent said they will vote for Komeito.

The YOMIURI found a moderate recovery in the support rate for the LDP, which was 31 percent in June last year, while support for both the SDPJ and the JNP dropped by about half compared with figures registered last June.

The respondents were equally divided over the issue of whether the next general election should be held under the current multiseat constituency system or the new election system approved under the package of political reform passed by the Diet. A new electoral map for single-seat constituencies has not been drawn up yet.

The survey covered 2,091 people aged 20 and older.

### **Panel Urges General Election Under New System**

*OW2605093494 Tokyo KYODO in English 0845  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—A private panel on political reform pressed a demand Thursday [26 May] that the next general election be contested under a new electoral system in order to cap years of reform efforts.

"We strongly demand that the next election for the House of Representatives be held under the new system after quick enactment of a bill that demarcates the boundaries of a new electoral map," the Committee for the Promotion of Political Reform said in a statement.

The group, made up of Japanese industry, labor and media leaders, took a swipe at calls among the Liberal Democratic Party and Social Democratic Party [of Japan], the two key opposition forces, for a general poll under the current multiseat system.

"I cannot understand at all moves to turn back the clock to the past," Kenzo Uchida, acting chairman of the panel, said at a news conference.

The Diet in January legislated a package of electoral reform bills replacing the current multiseat system in the lower house with a mix of single-seat electorates and proportional representation.

An independent panel of experts is currently splitting up the nation's multiseat constituencies into 300 single-seat districts.

The private panel also called for additional efforts to revamp the nation's political structure and carry out sweeping administrative reform centering on deregulation and decentralization of power.

To win back public trust in politics, the group said, the establishment of political ethics and eradication of political corruption are needed.

### **Coalition Agrees To Summon Hosokawa's Ex-Aide**

*OW2605063694 Tokyo KYODO in English 0611  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—The ruling coalition agreed Thursday [26 May] to opposition demands that former Prime Minister Morihiro Hosokawa's former aide be summoned to the Diet to testify on Hosokawa's controversial financial dealings that forced him to resign last month.

The coalition announced at an agenda-setting meeting for the House of Representatives Budget Committee that it agrees to the committee hearing testimony by Masatoshi Miyama after the state budget for fiscal 1994 passes the lower house.

Meanwhile, the Liberal Democratic Party (LDP) and other opposition parties plan to step up pressure on the



government for testimony from Hosokawa himself, which they view as a step to his resignation as a Diet member, opposition sources said.

Hosokawa stepped down last month because of the row over his loan from a scandal-tainted company and alleged involvement in the purchase of shares in Nippon Telegraph and Telephone Corp. (NTT).

The dispute paralyzed Diet proceedings, preventing the budget from being passed.

Hosokawa has said the 100 million yen loan from Sagawa Kyubin Co., and the purchase of shares in NTT were both handled by Miyama. The former premier insisted the shares were bought by his late father-in-law.

Hosokawa said the financial deals were above board. He said he has paid back the loan from Sagawa, and denied he was personally involved in the stock purchase. But documents he presented to the Diet on the Sagawa loan were found to contain apparent inaccuracies.

In addition, a financial consultant who had helped Hosokawa said in the Diet that the former premier bought the NTT shares himself.

#### **Signature Drive for Political Reform Initiated**

*OW2605120594 Tokyo KYODO in English 1141  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—A suprapartisan group of about 90 legislators announced Thursday [26 May] they will launch a signature drive to drum up parliamentary support for the completion of political reform efforts.

"We are determined to implement the next elections for the House of Representatives under a new system," said Yuji Tsushima, a lower house member of the primary opposition Liberal Democratic Party (LDP), in reading the group's statement.

The move comes in response to unabated calls from the LDP and the second largest opposition Social Democratic Party [of Japan] (SDP) [SDPJ] for a general poll under the current multiseat electoral system after passage of the fiscal 1994 national budget.

At a news conference, Tsushima, chief initiator of the signature drive, lashed such calls, saying, "it is never pardonable to try to see a general election held under the multiseat system."

The legislators aim to collect signatures from the majority of the 511 lower house members by June 10 as the first step to cap years of political reform efforts, he said.

Their action follows a demand earlier Thursday from a private panel on reform that the next general election be held under the new system combining single-seat constituencies with proportional representation.

The committee for the promotion of political reform, formed in 1992 by industry, labor and media leaders, has supported lawmakers of all parties who seek to revamp the nation's political system and eradicate corruption in public life.

In January the Diet legislated a package of electoral reform bills replacing the current multiseat system in the lower house with a combination of 300 single-seat voting districts and 200 in proportional representation.

An independent panel of experts is currently splitting up the nation's multiseat constituencies into single-seat electorates and is likely to decide shortly on guidelines for the demarcation.

However, the LDP has threatened to submit a no-confidence motion against the cabinet of prime minister Tsutomu Hata after the Diet approves the budget, and the SDPJ has shown interest in jumping on the bandwagon.

The LDP holds 206 seats in the lower house and the SDPJ has 74 against 178 in Hata's coalition, the first minority government in 39 years.

The SDPJ's Masao Sakon hinted he and other party lawmakers who support the signature drive may have to leave the SDPJ if its leadership moves to cooperate in bringing down the Hata government in a no-confidence vote.

"If such a situation arises, we may have to make a certain decision," he said.

Tsushima also explained their move stems from their political morality, noting that nearly all Diet members were elected after vowing to achieve political reform.

#### **SDPJ Action Plan Urges Setting Up New Coalition**

*OW2605131594 Tokyo KYODO in English 1301  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—The No. 2 opposition party, the Social Democratic Party [of Japan] (SDP) [SDPJ], adopted a draft action plan Thursday [26 May] urging the cabinet of Prime Minister Tsutomu Hata to resign en masse and to establish a new coalition government.

The draft follows recent remarks by SDPJ Secretary General Wataru Kubo, who urged the Hata cabinet to resign immediately after the fiscal 1994 state budget bills pass the Diet and hinted that the party may rejoin the ruling coalition if the premier accepts his request.

The party will officially approve the action plan at its decision-making central committee session on May 28 and 29, the officials said.

The action program said if Hata does not step down, and the administration's policies deviate from the spirit of



the war-renouncing constitution and go against the people's will, the SDPJ will deal with the situation through a "serious decision," hinting at tabling a no-confidence motion against the cabinet.

Defeat on such a motion would leave the premier with a choice of either resigning or calling a snap general election for the House of Representatives.

The plan rules out an alliance with the largest opposition party, the Liberal Democratic Party (LDP), saying the SDPJ will not take any actions that may enable the LDP to regain power.

The action program aims at forming a new coalition led by "social democratic and liberal" forces.

The policy plan was approved by the party's leadership body, the central executive committee on Thursday.

The action program cites "restoration of faith and trust among parties" as conditions for the SDPJ to return to the ruling coalition. The SDPJ quit the coalition late last month in protest against the establishment of a large parliamentary group excluding it.

The passage refers to a feud over the new Diet bloc created by the coalition's core party Shinseito [Japan Renewal Party], former Prime Minister Morihiro Hosokawa's Japan New Party and the Democratic Socialist Party.

The new bloc angered the SDPJ and resulted in their secession from the coalition, leaving Hata with Japan's first minority government in four decades.

The action plan also says Japan could join United Nations forces in a future disarmed world, on condition that they stand independent from control of other nations.

Regarding elections, the plan says the next general election should be held under a new electoral system, a combination of single-seat constituencies and proportional representation, that became law in January.

However, the plan does not rule out the possibility that the current multiseat constituency system could be maintained for the next election.

The new system requires the enactment of a bill to redraw the electoral map, toward which the SDPJ will do its best, the action program said.

#### **Sakigake To Form Diet Group With JNP Defectors**

*OW2605053094 Tokyo NHK General Television Network in Japanese 0300 GMT 25 May 94*

[Text] At its executive committee meeting this morning, Sakigake [Harbinger Party] formally decided to accept members of the "Minshu no Kaze [Wind of Democracy]" group, which consists of four Diet members who

left the Japan New Party [JNP] on 20 May, as new members of the parliamentary grouping it leads.

Sakigake has already formed a Diet group with Seiun, also made up of three JNP defectors. The "Minshu no Kaze" members will also be admitted to this group. Sakigake will register the new group shortly.

In view of this, Sakigake will also allow "Minshu no Kaze" members to participate in its policy study group with the Social Democratic Party of Japan [SDPJ].

At today's executive meeting, Sakigake Secretary General Hiroyuki Sonoda also reported on SDPJ Secretary Wataru Kubo's recent statement on his intention to participate in molding the political regime, including cooperation with the incumbent ruling coalition parties, on condition that the Hata cabinet resigns en masse. He reported that Kubo said he had merely wanted to turn the tide because people tend to think of the SDPJ as attempting to cooperate with the Liberal Democratic Party, or as favoring the dissolution of the Diet and holding lower house elections under the present medium-sized constituency system. Sonoda said Kubo explained that he was not actively thinking of returning to the coalition.

#### **Ministry To Revise Law To Deregulate Rice Market**

*OW2505123394 Tokyo KYODO in English 1057 GMT 25 May 94*

[Text] Tokyo, May 25 KYODO—The Ministry of Agriculture, Forestry, and Fisheries plans to revamp the country's outmoded food control system to reduce the government's grip on the rice market, ministry sources said Wednesday [25 May].

The ministry will submit a bill to revise the Food Control Law this fall to the extraordinary session of the Diet. It will propose introducing more market forces to production and marketing of rice, the country's staple grain.

Although the key framework of the system will be left unchanged, the new law will allow farmers to grow as much rice as they like, oblige the government to stockpile rice in case of emergency and ease regulations on rice marketing.

The sources said the ministry's steps were forced by a rapidly changing situation in Japan's rice market in recent years.

The Uruguay Round trade pact, completed last December, requires Japan to buy foreign rice. The country also suffered its worst rice harvest in the postwar era last year due to poor weather, prompting consumers to panic in search of domestic grains.

Furthermore, more rice has been traded on the black market, out of government-approved channels.



The Agricultural Administration Council, an advisory body to the prime minister, will draw up an interim report on the future of Japan's agriculture and food control system in late July for the government to formulate a revised Food Control Law.

In the revision, the second since the law was enacted in 1942, rice growers will be allowed the option of not reducing their rice-planting acreage.

Currently, farmers are forced to cut their rice acreage every year in line with the government's annual plan for rice supplies.

The revised law would call for state stockpiling of rice, in order to respond to public criticism that scant government reserves bear part of the blame for the recent rice panic.

The details of the planned stockpiling have yet to be worked out, but the sources said the ministry is considering increasing state stockpile to 650,000 tons by October 1995 and 1.3 million tons by October 1996.

At the end of October last year, only 230,000 tons were reserved in government warehouses. The Japanese rice year starts in November and ends in October.

The sources said the overhaul will take into account calls from rice growers to allow them to sell their products freely, citing possible difficulties in stable supplies.

Instead, the ministry plans to boost "jishu ryutsu mai" rice, which rice growers can sell directly to the market, not through the government.

Also being considered is a more flexible licensing to would-be rice wholesalers and retailers, they said.

### **FTC Upholds Finding on Price-Rigging Case**

*OW2605105394 Tokyo KYODO in English 1034  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—The Fair Trade Commission (FTC) upheld its own previous finding Thursday [26 May] in a price-rigging case involving Toshiba Chemical Corp. and ruled again that the firm violated the Antimonopoly Law.

The FTC said Toshiba Chemical and seven other companies, which dominate the domestic market for phenolic copper-coated paper laminates, formed a price cartel in June 1987 to boost prices.

The ruling was identical to one the antimonopoly watchdog handed down in 1992, which the Tokyo High Court nullified in February this year.

The court ordered the commission to reexamine the case, saying the FTC decision was unfair because an investigator in the original cartel probe was later named one of the FTC's five members who ruled on the case.

Hitachi Chemical Co. and six other makers abided by an FTC order in June 1989 to halt the unfair practice, but Toshiba refused to comply and sought a legal judgment from the FTC.

After a series of public hearings, the FTC concluded in September 1992 that the firm violated the Antimonopoly Law.

Toshiba Chemical, dissatisfied with the decision, filed a suit against the commission.

### **MITI Urges Nikkeiren To Help in Employing Females**

*OW2605053194 Tokyo KYODO in English 0503  
GMT 26 May 94*

[Text] Tokyo, May 26 KYODO—Japan's trade and industry minister on Thursday [26 May] urged business leaders to increase employment of female college graduates, who are having great difficulty finding jobs in the prolonged recession, government officials said.

Eijiro Hata, head of the Ministry of International Trade and Industry (MITI), made the request in a meeting with leaders of the Japan Federation of Employers' Associations (Nikkeiren).

Noting that Prime Minister Tsutomu Hata has expressed concern over the lack of job opportunities for female graduates, Hata said his ministry seeks help from the Nikkeiren, the officials said.

They quoted Takeshi Nagano, president of Nikkeiren, as saying that it is an important task and the organization will act in line with MITI's request.

Nagano, however, offered no concrete proposals on the female employment issue, according to the officials.

The current economic downturn, which started about two years ago, has prompted Japanese corporations to streamline their businesses and to cut down on employment.

Surveys show that the number of job openings for new college graduates, both male and female, fell about 20 percent this spring and will further drop by around 25 percent in the spring of 1995—about a 40 percent fall from the latest peak in 1992.

Nearly 13 percent of female students graduating from colleges, universities and vocational schools in March had not found jobs as of the end of February, a Labor Ministry survey found.

A separate Labor Ministry survey last December found that more than 52 percent of the 1,000 or so firms responding said they were employing fewer women because more male students were seeking work.

More than 30 percent of the companies said they were hiring fewer female graduates from two-year colleges and high schools because "women are working longer."



### Household Spending Falls 0.6 Percent in 1993

OW2605053794 Tokyo KYODO in English 0527  
GMT 26 May 94

[Text] Tokyo, May 26 KYODO—Japan's household expenditures posted the second straight yearly decline in fiscal 1993, which ended March 31, reflecting continued weak consumer spending, the Management and Coordination Agency reported Thursday [26 May].

The average Japanese family of 3.48 people spent 335,379 yen monthly in the year, down 0.6 percent from the previous year, following a 0.5 percent fall in the previous year, the agency said.

"Families spent less on durable goods, discouraged by lower income resulting from the recession," an official at the agency said.

Families of salaried workers spent 1.3 percent less, while families of nonsalaried workers registered a 0.7 percent spending increase, the official said.

In March alone, household spending shrank a real 4.3 percent to an average 353,908 yen for the second consecutive month after four months of year-on-year gains, it said.

## North Korea

### Kim Il-song Meets Korean-American Visitor

SK2605085694 Pyongyang Korean Central  
Broadcasting Network in Korean 0800 GMT 26  
May 94

[Text] The great leader Comrade Kim Il-song has received Korean-American Son Won-tae. The great leader Comrade Kim Il-song today received Mr. Son Won-tae, Korean compatriot residing in the United States, who is currently staying in the fatherland. Kang Sok-sung, director of the Party History Institute of the Workers Party of Korea, and Choe Sang-sun, vice director of its institute accompanied him. The great leader Comrade Kim Il-song gladly received him and held a warm conversation full of feeling with him. The great leader Comrade Kim Il-song arranged a luncheon for him.

### U.S. Plans To Make 'Ultra-Modern Missile' Decried

SK2605044094 Pyongyang KCNA in English 0429  
GMT 26 May 94

["MINJU CHOSON Lambastes U.S. Moves Against Disarmament"—KCNA headline]

[Text] Pyongyang, May 26 (KCNA)—MINJU CHOSON today comments on the feverish promotion of a program of the development of a sophisticated missile by the United States to spot and destroy missiles of the DPRK "which are hidden underground."

The development of the new ultra-modern missile which is being hastened under the cloak of "nuclear non-proliferation" is a criminal act against nuclear disarmament, a renewed military operation against the independent third-world countries and a deliberate act for battenning the U.S. war industrial monopolies, the analyst notes, and continues:

The present U.S. administration declared that the non-proliferation of nuclear weapons is the "keynote of its state diplomacy." The United States, however, continues accelerating the modernisation of its nuclear weapons and, worse still, turns a blind eye to the development of nuclear weapons by its allies and some satellites, while casting suspicion and putting a bridle on the peaceful nuclear activities of the countries which go against the grain with it.

The Pentagon seeks the aim of crushing the DPRK with strength in developing a new missile and in inveigling the allies into the execution of its strategy while setting afloat the rumour of "nuclear threat."

The United States is drawing its allies including Japan into the execution of its aggressive strategy.

The Korean people strongly oppose the U.S. moves to gain nuclear monopoly and build up arms and stifle anti-imperialist, independent countries including the DPRK under the cloak of "nuclear non-proliferation".

The United States must not cry for the non-proliferation of nuclear weapons only in words, but carry it into practice.

It must, first of all, stop its wrong attempt to isolate and stifle the DPRK engaged in peaceful nuclear activities under the pretext of the latter's fictitious "nuclear threat" and withdraw its nuclear weapons and troops from South Korea. And it must stop applying a double standard and cut back and, furthermore, completely scrap the existing nuclear weapons.

### Daily Condemns ROK Participation in Rimpac

SK2605104394 Pyongyang KCNA in English 1034  
GMT 26 May 94

["Servants of Aggressors"—KCNA headline]

[Text] Pyongyang, May 26 (KCNA)—The Kim Yong-sam group will send the South Korean puppet navy to the Rimpac joint manoeuvres to be held under the baton of the United States.

NODONG SINMUN today views this as a scheme to prop up the tottering regime and gratify its wild ambition for the reunification of the country through Northward invasion by serving the United States as its servant and shock brigade in the execution of its policy of aggression and war.

The analyst says:



An official of the defence agency of Japan made it plain that the manoeuvres are a dangerous military action directed against the Democratic People's Republic of Korea when he said the joint operation in the Rimpac "will be a political message" to "North Korea over its nuclear program."

The United States intends to facilitate the formation of the U.S.-Japan-South Korea triangular military alliance and, at the same time, establish "a collective security system" involving the whole of the Asian-Pacific region by inveigling South Korea and Japan into the manoeuvres.

The Korean peninsula is the first target in the "new military strategy" of the United States seeking "a new world order" after "the end of the Cold War." And it is the invariable goal pursued by the United States in its aggressive Asia-Pacific strategy to put the Korean people on the altar of a nuclear war. The Kim Yong-sam group is zealously behaving as a shock brigade in the execution of this criminal aggressive strategy, fully revealing its true color as a faithful war servant of the United States and a group of traitors trying to slay the fellow countrymen in the North in league with outside forces.

The South Korean puppets must stop imprudently serving the United States in its perilous policy of war, clearly mindful that they have nothing to get from toeing outside forces' policy of "strength."

#### **Radio Cites Spokesman on Nuclear Armament**

*SK2505233794 Pyongyang Korean Central  
Broadcasting Network in Korean 2115 GMT 25  
May 94*

[Report on Press Statement issued by a Foreign Ministry spokesman on 25 May]

[Text] A spokesman for the DPRK Foreign Ministry issued a statement today regarding the fact that at the recent UN Disarmament Commission meeting a sharp conflict of views surfaced between the developing countries and the Western countries as to whether emphasis should be placed on the elimination of nuclear weapons or on the strengthening of the nuclear nonproliferation system with regard to the question of nuclear disarmament.

He said:

Many developing countries including our country strongly urged that the international community should take it as their first and foremost goal to comprehensively and totally eliminate the existing nuclear weapons within a certain period through universal and non-discriminatory multilateral negotiations and treaties and that the nuclear weapon states should carry out nuclear disarmament.

By contrast, the United States and other Western countries persisted in their old position that emphasis should

be placed on the strengthening of the nuclear nonproliferation system in the present stage and, to this end, the role of the UN Security Council should be enhanced.

The guideline and recommendations on nuclear disarmament worked out and submitted by the Western countries, focussing on the nuclear nonproliferation issue, could not be passed due to the opposition of the developing countries.

The process of the meeting made it all the clearer that there is no change in the ambition of the United States and other Western countries to maintain their nuclear monopoly and turn the world around its finger.

The United States and other Western countries, however, resort to trite threats and pressure against the non-nuclear states including the DPRK under an unreasonable pretext while failing to do what they must do.

While raising a hue and cry over the fictitious nuclear suspicion against the DPRK, they pretend to be ignorant of the real threat of nuclear armament such as the recently discovered concealment of 70 kg of plutonium in Japan.

This can be said to be the culmination of the application of a double standard.

The problem will not be solved any time, if the United States and other Western countries continue to apply the double standard in the nuclear issue, refusing to accept the just demand of the developing countries for the total abolition of nuclear weapons and the removal of the discriminative nature of the NPT at a time when the extension of the validity of the NPT is being discussed.

#### **ROK 'Battleships' Reportedly Infiltrate DPRK**

*SK2605043194 Pyongyang Korean Central  
Broadcasting Network in Korean 0300 GMT 26  
May 94*

[Text] The South Korean puppets perpetrated a grave military provocation by illegally infiltrating a group of battleships deep into the territorial waters off our side's west coast on 25 May.

At around 1633 [0733 GMT] on 25 May, three battleships of the puppet army based in Taechong Island went into battle formation and deeply infiltrated into our side of the territorial waters south of Ochajin-ri, Yongyon county, South Hwanghae Province, to openly kidnap our peaceful fishing ships in broad daylight.

The Korean People's Army Naval patrol boat which was vigilantly defending the sea posts of the socialist fatherland went into emergency mobilization on the spot and the rascals rapidly fled towards the South.

The South Korean puppets' reckless act of infiltrating into the sea is stimulating North-South confrontation. This is also an intentional and planned provocative



maneuver to drive the Korean peninsula toward an intense and aggravated situation.

This act of military provocation was committed at a time when the South Korean puppets are finding fault with our nonexistent nuclear issue, conspiring with outside forces to drag in up-to-date murderous equipment on a large scale into South Korea, and leading the situation to a dangerous stage by accelerating the increase of forces in the Military Demarcation Line area of the DMZ. Therefore, we cannot but all the more regard this as a severe situation.

If the South Korean puppets ignore the consistent desire of the Korean people and the world's peace-loving people who want peace and reunification on the Korean peninsula and continue to move toward the road of war and confrontation, the provokers will not be able to escape from receiving a resolute punishment.

#### **KCNA Reports 'Provocation'**

*SK2605050194 Pyongyang KCNA in English 0448  
GMT 26 May 94*

["South Korean Puppets Commit Military Provocation on the Sea"—KCNA headline]

[Text] Pyongyang, May 26 (KCNA)—The South Korean puppets on May 25 perpetrated a grave military provocation by illegally infiltrating a group of combatant ships deeply into the western waters of our side.

At around 16 hours 33 minutes, three combatant ships of the puppet navy based in South Korean Taechong Islet infiltrated deeply into our side's waters South of Ochajin-ri, Yongyon County, South Hwanghae Province, in battle formation for the purpose of kidnapping our peaceful fishing boats openly in broad daylight.

They hurriedly fled South, failing to carry out their hostile scheme due to the quick sailing of a naval patrol craft of the Korean People's Army to the scene.

The reckless naval intrusion of the South Korean puppets was a premeditated provocation to incite North-South confrontation and lead the situation on the Korean peninsula to a higher pitch of strain.

If the South Korean puppets continue along the road of confrontation and war, ignoring the unanimous desire of the Korean people and the world peaceloving people for the peace of the Korean peninsula and its reunification, they will be meted out a stern punishment.

#### **ROK's Kim Yong-sam Criticized for 23 May Remarks**

*SK2605052094 Pyongyang KCNA in English 0433  
GMT 26 May 94*

["Obstrusive and Imprudent Act"—KCNA headline]

[Text] Pyongyang, May 26 (KCNA)—The traitor Kim Yong-sam told foreign reporters on May 23 that "the North must not try to settle the questions on the Korean peninsula only with the United States" and it "must begin North-South dialogue", according to a radio report from Seoul.

This is a feeble entreaty and complaint of the pitiful colonial puppet utterly forsaken by history and the people.

The traitor Kim Yong-sam is very jealous of the North sitting at a negotiating table with the United States and feels very uneasy and nervous over it.

The traitor most dependent on outside, flunkeyist and treacherous among the successive rulers of South Korea, is trying to squeeze himself into DPRK-U.S. negotiations without any power and capacity, and is obstructing the DPRK-U.S. talks.

In urging the North not to deal only with the United States, he was motivated by the sinister political purpose of putting a spoke in the wheel of the DPRK-U.S. talks.

The traitor driveled about the North-South dialogue this time. But the puppet has no elementary qualification and face to talk about the dialogue. It is an intolerable mockery of dialogue for its very wrecker to cry for its "resumption".

The ulterior intention of the puppets is to create difficulties again to foil the third round of the DPRK-U.S. talks at any cost and proceed with the moves to stifle the DPRK in league with international reactionaries.

If the tense situation is to be eased in Korea and a correct way of settling the question be found today, the United States must change its hostile policy against the DPRK and such flunkeyist traitor as Kim Yong-sam must be removed from power in South Korea.

#### **ROK Minister's Remarks on Denuclearization Denounced**

*SK2605094794 Pyongyang Korean Central  
Broadcasting Network in Korean 1222 GMT 25  
May 94*

[Commentary by Yun Pyong-son: "An Absurd Remark Reflecting Their Real Intention"]

[Text] According to a report, on 23 May at the puppet national assembly's foreign affairs and national unification committee meeting, puppet national unification board [NUB] minister Yi Hong-ku, while laying the blame at our nuclear problem again, openly clamored that the North-South joint declaration of denuclearization has virtually become null and void. This is tantamount to promulgating the nullification of the joint declaration on denuclearization of the Korean peninsula which was adopted in 1992 and is, therefore, a grave



challenge to our fellow countrymen and the world's peace-loving people who want to denuclearize the Korean peninsula.

Announcing the invalidity of the joint declaration of denuclearization, Yi Hong-ku babbled that it was because of what they call our nuclear problem. This is indeed a shameless sophistry designed to conceal their true colors.

It is a widely known fact that since the joint declaration of denuclearization was adopted, the puppets have hindered by all means the implementation of the joint declaration, including withholding the realization of follow-up measures for the declaration, while laying the blame on our nuclear problem.

Furthermore, the puppets have been mad only for their nuclear development maneuvers while casting away the pledge they made before the nation. The fact that the puppets who have already secured a large amount of plutonium are now attempting to secure more plutonium by even developing fast-breeder reactors, the fact that the puppets have signed an agreement with Japan for a nuclear development program, the fact that clamoring that the time has come for them to have nuclear capability, the fact that the puppets are asserting that the national assembly should raise the voices calling for nuclear development, and the fact that they are openly talking about nuclear sovereignty, all of these facts vividly show how frantically the puppets are running wild for nuclear development.

In view of these facts, we can be clearly aware that it is precisely the South Korean puppets who have reduced the joint declaration of denuclearization to a scrap of paper and that it is also precisely the puppets themselves who should be blamed for the failure in realizing the denuclearization of the Korean peninsula.

This notwithstanding, the puppets are laying the blame at our nuclear problem. This is none other than a foolish trick designed to shift to others the responsibility for their having nullified the joint declaration of denuclearization by misleading public opinion.

Over 1,000 U.S. nuclear weapons are deployed in South Korea today, and the puppets, as well, are not only accelerating their own nuclear development program, but are also staging a nuclear war exercise everyday. Such being the situation, whether or not we can realize the denuclearization of the Korean peninsula is a very important problem which has the direct bearing not only on the survival of the nation, but also on the world's peace and stability.

This is why the situation of the Korean peninsula today has become a focus of today's world's politics. Therefore, all of the Korean people, as well as the people of the world, are strongly calling for the withdrawal of U.S. nuclear weapons from South Korea and for the denuclearization of the Korean peninsula.

Nevertheless, the puppets who have been raising even growing their own nuclear mushroom under the U.S. nuclear umbrella, are challenging to the joint declaration of denuclearization by openly announcing its nullification.

The absurd remark of the puppet NUB minister who has promulgated the nullification of the joint declaration of denuclearization reveals their real intention to remove the burdensome obstacles to their nuclear weapon development project and, thus, to accelerate in earnest their nuclear weapon development. Therefore, his absurd remark is tantamount to a declaration for their virtual nuclear armaments.

The puppets are interested neither in the nation's destiny nor in the country's peaceful reunification. The Kim Yong-sam puppet clique is a group of intolerable nuclear fanatics who are trying to increase the danger of a nuclear war on the Korean peninsula and to drive the nation into the disaster of a nuclear war.

The entire nation will not allow the puppets' dangerous maneuvers to make the Korean peninsula the site of a nuclear war in collusion with outside forces. The South Korean puppets will bear responsibility for all catastrophic consequences arising from their maneuvers to nullify the joint declaration of denuclearization.

As long as the Kim Yong-sam ring, a ring of nuclear war fanatics, continues to exist, our nation will not be able to get rid of the disaster of a nuclear war. Those who really oppose a nuclear war and who think of the destiny of the country and the nation should rise up and sternly check and frustrate the puppet clique's maneuvers for nuclear weapons development.

#### **Radio Denounces ROK's 'Frenzied' Arms Buildup**

*SK2605095394 Pyongyang Korean Central  
Broadcasting Network in Korean 1640 GMT 25  
May 94*

[Unattributed talk: "The South Korean Puppets Dashing on the Road of War Adventure"]

[Text] The South Korean ring of the war fanatic Kim Yong-sam is stepping up its pitch of dashing on the road of war adventure against the fellow countrymen. This is evidenced, among other things, by its frenzied maneuver for arms buildup.

As has been reported, the puppets, under the pretext of further solidifying the security posture, have decided to introduce additional late-model weapons, such as Patriot missiles and Apache helicopters. It is no secret that the puppets, during the warmonger U.S. Defense Secretary Perry's junket to South Korea last month, decided to bring in anti-artillery radar, a global positioning system [chisang mokpyomul wisong chujok changchi], and ultra-modern gun-barrel equipment, as well as Apache helicopters, from the United States.



On 12 May, the puppets deployed for active service new type medium-size transport planes purchased from Spain. The South Korean puppet clique raves that these transport planes, whose deployment for the puppet air force will be completed by the end of this year, will enhance their so-called operational capability. The bellicose puppet elements' arms buildup maneuvers—by which they deployed the new type CN-235 medium-size transport planes, in addition to Apache offensive helicopters and Patriot missiles, which are weapons of mass destruction, in South Korea under the instigation of the U.S. imperialists—well expose the true colors of the U.S. imperialists and the puppets leading the situation to a brink of war.

The fact that the South Korean puppets are following the road of war adventure is also evidenced by their continuous war exercise commotions of various types aimed at northward invasion. As has been reported, the South Korean puppets conducted fire games aimed at attacking us from 9 to 14 May, such as the combat readiness exercise; a chemical, biological, radiological exercise; a troop and equipment movement exercise; and a combat plane emergency take-off and landing exercise. On 9 May alone, the puppets brought a large-scale naval exercise group into the West Sea of Korea and conducted provocative war exercises, such as a marine mobile exercise, anti-air and anti-shore exercises, and a ship dispersion exercise, raving about the so-called completion of the posture for coping with the initial stage of war.

At the same time, the South Korean warmongers conducted a joint airborne dropping exercise and a joint open-air exercise with the U.S. forces on the East Sea of Korea.

Facts show that the U.S. imperialists and the Kim Yong-sam traitorous clique had an eye on attacking us by three-dimensional operations from air, land, and sea through these war exercises.

As has been made public, the Kim Yong-sam ring is raving that it will conduct the Team Spirit joint military exercise this November and enforce other war exercises as scheduled without reducing their scale. The Kim Yong-sam ring's reckless maneuvers for arms buildup and preparations for war of northward invasion are an intolerable act of treachery aimed at driving the fellow countrymen into the calamity of nuclear war as a perpetrator of a war of foreign forces.

It is the invariable policy of the United States to build up armed forces of aggression on the Korean peninsula and threaten and crush [apsal] us by force. The United States, raving about our nuclear development and countermeasures for our surprise attack, are frenziedly engaged in war commotions, massively bringing new type Patriot missiles and other military equipment, including latest-model Apache offensive helicopters, into South Korea. This is prompted by its desire to obliterate our country's socialism by force.

The South Korean puppets, with the United States, have already worked out the so-called New Operational Plan 5027, a plan to provoke a war of northward invasion. The U.S. warmongers—who have assembled vast aggression armed forces in and near South Korea aimed at imposing nuclear calamity on our nation and deployed Patriot missiles and offensive helicopters to South Korea—are making powder-reeking such an outburst that they will not hesitate to wage a war or preclude the possibility of a preemptive strike.

According to the U.S. paper THE WASHINGTON POST of 12 May, Perry and other U.S. military leaders, babbling about sanctions against us recently, said that a war could turn out a reality. This is a very serious remark. Needless to say, the South Korean puppets' arms buildup and fire-game commotions are perpetrated by this policy of aggression and war of the United States. The South Korean puppet clique, which is sustaining its filthy life depending on foreign forces, is attempting, foolishly, to obliterate our Republic by force and realize its ambition for reunifying the country by northward invasion taking advantage of the U.S. imperialists' reckless military action.

The Kim Yong-sam ring is attempting to intensify the arms buildup and war fire game under the pretext of building up a security posture and lead the situation on the Korean peninsula to a dangerous phase of war so as to leave South Korea under the U.S. domination permanently and to sustain its power as a cat's paw for its master's war.

Our fellow countrymen, who treasure national dignity and love peace, can never forgive the Kim Yong-sam puppet clique which attaches greater importance to its personal comfort and foreign forces' interests than to national interest and destiny and which does not hesitate to impose the calamity of a nuclear war on the nation. If the South Korean puppets think they can realize their ambition for reunification by northward invasion through the reckless arms buildup and war fire-game, they are having an illusion. The Kim Yong-sam ring should stamp on its mind that the treacherous act of confronting the fellow countrymen leads to its shameful destruction.

#### **Japan Urged To Reveal Quantity of 'Hidden' Plutonium**

*SK2605101894 Pyongyang KCNA in English 1008 GMT 26 May 94*

[“Trick of Nuclear Criminal”—KCNA headline]

[Text] Pyongyang, May 26 (KCNA)—The Japanese reactionaries recently staged the drama of “opening” to Western reporters the Tokaimura nuclear fuel-making plant where 70 kg of plutonium had been discovered some time ago, a report from Tokyo says.



This is a trick to fool the unbiased opinion guarding against Japan which is accelerating its conversion into a nuclear power in full scale.

When foreign reporters asked why the secret of the accumulation of a large amount of plutonium was not disclosed for six years, "the authorities "did not utter a word in answer".

The nuclear criminal who was caught red-handed in wantonly violating the universally accepted international law cannot be absolved from its crime, even if he "opened" the nuclear fuel-making plant to the public.

Still more ridiculous is that this nuclear criminal, shamelessly enough, has become noisier in crying over the fictitious "nuclear weapons development" by the DPRK. This is a crafty ruse to justify Japan's moves to become a nuclear power, which has become a target of the accusing finger of the international community and divert elsewhere the world's attention from it.

Judging from the fact that many nuclear reactors of Japan have been operating for scores of years, it is as clear as noonday that the exposed amount of plutonium is only a tiny part of the total amount of concealed plutonium.

The Japanese authorities must not resort to a trick to mislead public opinion but clearly open to the international community the total amount of plutonium hidden nationwide, and promptly stop nuclear armament.

#### **Formation of Japan Council on DPRK Issue Viewed**

*SK2605051894 Pyongyang KCNA in English 0417 GMT 26 May 94*

[**"Dangerous Move To Reinvade Korea"—KCNA headline**]

[Text] Pyongyang, May 26 (KCNA)—Tsuboi, chief of the security section of the cabinet of Japan, told the budgetary committee of the House of Representatives on May 23 that a "joint council" consisting of departmental chiefs of the ministries and agencies of the Japanese Government had been formed as regards the "suspicion of nuclear development" by the DPRK, at which "the situation of North Korea is analysed", according to a report.

That day, defence bureau director of the Defence Agency of Japan Murada blared at the same place that Japan "is studying rules of actions of the self-defence forces (SDF) involving naval deterrence, combat regulations and the sphere of aerial action" to "cope with an emergency case connected with the 'nuclear suspicion' against North Korea".

Earlier, the ground "SDF" showed a bellicose move of working out a new strategy attaching importance to "the

influence of the situation on the Korean peninsula" which would replace the strategy of "attaching importance to the North".

Facts eloquently show that the Japanese reactionaries are promoting on a full-dressed stage the reorganisation of the wartime system for a war of reinvansion against DPRK under the name of "reaction in case of emergency", taking issue with the fictitious "nuclear issue" of the DPRK.

But the Japanese reactionaries must act with discretion, clearly seeing the possible consequences of their reckless acts, and promptly give up the moves to stage a comeback to the Korean peninsula.

#### **NODONG SINMUN Analyzes U.S.-Japan Relations**

*SK2405112094 Pyongyang KCNA in English 1008 GMT 24 May 94*

[**"Outcries Over 'Threat From Japan' in the U.S."—KCNA headline**]

[Text] Pyongyang, May 24 (KCNA)—NODONG SINMUN in a by-lined article today says the U.S.-Japan relations in the past were relations of senior-junior alliance in which Japan was thoroughly subordinated to the United States but, now, Americans are raising a hue and cry over "threat from Japan" as Japan's ambition to overshadow the United States has surfaced following the end of the Cold War.

Noting that some Americans are of the opinion that Japan might be the only country which can say "no" to the United States in the post-Cold War period, the article says:

Japan at last began to say "no" to the United States. The Japanese prime minister said "no" when discussing trade friction and other issues with the U.S. President during his visit to the United States last year, thus breaking down the talks.

The United States is very nervous about such developments. It is alerted against the stark fact that Japan may become its archrival in the future in executing its global strategy. For their conflicting interests the United States is trying to hold down Japan. But Japan has built up "defences" and is stubbornly resisting it.

Noteworthy here is it that the United States is being driven into a position of passive defence.

After the Second World War Japan has surfaced as an economic power under the U.S. shadow. It has unfolded a challenging and ambitious economic strategy and began to regard the United States as nothing, in the belief that in the present-day world where the Cold War has come to an end the economic potential is the real strength and, accordingly, those who established economic supremacy would come at the helm of power for world domination.



In recent years the United States has annually suffered a deficit of more than 50 billion dollars in trade with Japan. Worse still, Japan is extensively buying land and businesses of the United States. Words are rife now in the U.S. public that should such development continue the Japanese capital would swallow up the whole territory of the United States some time in the future. The United States is raising terrific outcries over Japan's trade offensive, calling it the "second attack on Pearl Harbour".

Meanwhile, Japan, broadening new markets, is continually increasing investments to form its economic sphere. Subsequently, the United States is gradually going into the passive.

Japan is also trying by degrees to free itself from the U.S. control militarily. By legalizing the troop dispatch overseas of its "self-defence forces" and accelerating its own nuclear armament Japan is intending to take the initiative and act a political power in the international arena.

Now, Japan has made all material preparations for the production of nuclear weapons any moment. The United States is very uneasy about this.

Some quarters of Japan say they cannot forget the atomic bombing of the United States on the territory of Japan, and agitate people by saying Japan must call it "to account for" this in the future.

Judging from all this, one can see that what Japan seeks is to exhaust the United States in the economic, military and other domains and take the initiative in the international arena.

At present, the United States is trying to keep Japan under its control, and the latter is intending to get the upper hand by fostering its own strength without letup, while pretending to make concessions to the former and seemingly currying favor with it.

The relations between the United States and Japan, each having an axe to grind, will take a turn for the worse with the passage of time.

#### **Japan Renewal Party Leader's Remarks Criticized**

*SK2505055594 Pyongyang KCNA in English 0425  
GMT 25 May 94*

**["Ridiculous Utterances of Nuclear Criminal"—KCNA headline]**

[Text] Pyongyang, May 25 (KCNA)—Secretary General of the Japan Renewal Party (Shinseito) Ozawa, a backstage manipulator of Japan's nuclear armament and moves to become a military power, reportedly said in his recent speech that North Korea's "nuclear arms development program" might drive the situation on the Korean peninsula to a "grave crisis".

This balderdash of Ozawa is a sheer distortion of the reality. It is a despicable jargon meant to do harm to the DPRK and justify their criminal nuclear ambition on any account.

We cannot but be on our guard against the extreme moves hostile to Korea of Ozawa who let out a provocative remark again this time.

It is an undeniable stark reality that the basic factor of the critical phase being created in the situation of the Korean peninsula is the reckless war manoeuvres of the U.S. and Japanese reactionaries and the South Korean puppet clique to contain the DPRK militarily.

We cannot but take a serious view of the fact that the Japanese reactionaries are stepping up their nuclear armament and moves for the conversion of Japan into a military power with the aim of staging a comeback to Korea and establishing domination over Asia.

Today Japan is totally branded as an unpardonable nuclear criminal and has to sit in the dock before the international community.

The recent outburst of Ozawa revealed his extremely insidious attempt to lay the blame at other's door, avoid sitting in the dock before the international community and realize their criminal nuclear ambition at any cost.

The Japanese authorities, instead of trying to do harm to the DPRK over its fictitious "nuclear issue", must declare the total amount of plutonium kept in hiding, apologize for the criminal act and no longer resort to moves for nuclear armament.

#### **Sihanouk Arrives for Cambodian Roundtable Talks**

*SK2605111594 Pyongyang KCNA in English 1041  
GMT 26 May 94*

[Text] Pyongyang, May 26 (KCNA)—His Majesty King Norodom Sihanouk of Cambodia arrived here today by special plane to preside over a roundtable for peace and national reconciliation of Cambodia slated in Pyongyang.

Arriving to attend the roundtable meeting were also H.E. Prince Chea Sim, acting head of state and president of the National Assembly, H.R.H. Prince Norodom Ranariddh, first prime minister, H.E. Prince Hun Sen, second prime minister, and the suite from the Cambodian Government side, and H.E. Khieu Samphan, president of the the Democratic Cambodia side, and the suite.

They were met at the airport by Yi Chong-ok, vice president, Kim Yong-nam, vice premier and minister of foreign affairs, and officials concerned.

Officials of the Royal Embassy of Cambodia in Pyongyang and Qiao Zonghuai, Chinese ambassador to Korea, were present at the airport.



**Hanminjon Delegation Visits Nepal, Cyprus, Syria***SK2505061094 Pyongyang KCNA in English 0447  
GMT 25 May 94*

[Text] Pyongyang, May 25 (KCNA)—A delegation of the South Korean National Democratic Front (Hanminjon) led by vice-chairman of its Central Committee Hong Chi-yong paid visits to Nepal, Cyprus and Syria from March 26 to April 18, the Seoul-based radio Voice of National Salvation reported.

During the visits, the delegation had talks with delegations of the Nepal Communist Party (United Marxist-Leninist), the Nepal Workers and Peasants Party, the Communist Party of Cyprus (AKEL) and the Socialist Party of Cyprus.

At the talks the parties highly estimated the activities of Hanminjon for independence, democracy and reunification and expressed full support and solidarity for its struggle. They strongly demanded a prompt end to the tricky row of the U.S. imperialists and the traitor Kim Yong-sam over "nuclear suspicion" against the North of Korea and the withdrawal of U.S. troops and nuclear weapons from South Korea.

Hanminjon and the parties published joint statements and joint communiques expressing the willingness to support and closely cooperate with each other in the accomplishment of the cause of global independence and socialism against the imperialists' aggressive and belligerent moves and expand and strengthen mutual contacts and solidarity. The Hanminjon delegation met and conversed with leaders of the afore-said parties.

They informed each other of their party activities and agreed on strengthening solidarity. The party leaders voiced support for the struggle of Hanminjon and the South Korean people for independence, democracy and reunification and denounced the U.S. imperialists and the Kim Yong-sam regime of traitors for their moves to fascistize the South Korean society, keep the nation divided and provoke another war.

The Hanminjon delegation enjoyed full support and warm welcome everywhere it toured.

The Nepal Communist Party (United Marxist-Leninist) and the Nepal Workers and Peasants Party organised special lectures, local tour and functions in welcome of the delegation, while the Arab Socialist Baath Party of Syria hosted a roundtable talk at the high institute of political science under the party.

The Arab solidarity committee for encouragement to the struggle of Hanminjon and the South Korean people comprising six international organizations including the International Arab Confederation of Arab Trade Unions held a solidarity meeting and released a joint statement denouncing the U.S. imperialists and the traitor Kim Yong-sam for rendering the situation of the Korean peninsula extremely strained, while taking issue with the

nuclear activities of the Democratic People's Republic of Korea. It also adopted an appeal to the world peace-loving people, international organizations and political parties and organizations of all countries calling for the abolition of the "National Security Law," the release of political prisoners and the sending to the North of Kim In-so, Ham Se-hwan and other unconverted long-term prisoners in South Korea.

Such a meeting was held and a joint statement condemning the aggressive and belligerent moves of the U.S. imperialists and the traitor Kim Yong-sam was adopted by the solidarity committee of political parties and fronts in the Middle East and North African area supporting the struggle of Hanminjon and the South Korean people comprising 24 political parties and fronts including the Palestine Liberation Organization in Damascus, the Communist Parties of Syria, Iraq and Jordan and the Socialist Progressive Party of Lebanon.

**Anniversary of Kim Il-song Article on WPK Marked***SK2505113994 Pyongyang KCNA in English 1052  
GMT 25 May 94*

[Text] Pyongyang, May 25 (KCNA)—The basic line of building the Workers' Party of Korea [WPK] is to establish the monolithic ideological system of the party, stresses NODONG SINMUN in a by-lined article today.

The article says:

The work published by the great leader Comrade Kim Il-song on May 25, 1967 is of great importance in the efforts of the WPK to firmly establish the monolithic ideological system of the party.

The historic work expounds that the fundamental principle of party building is to firmly establish the party's monolithic ideological system as required by the law governing the party building of the working class and the reality of party ideological work. The work also comprehensively systematizes all theoretical and practical questions in establishing this system.

The dear leader Comrade Kim Chong-il comprehensively embodied the idea and theory of the great leader's May 25, 1967 work in party ideological work and all spheres of the revolution and construction so that a turn has been effected in the work and life of the party members and other working people.

The exploits of the Workers' Party of Korea in establishing the monolithic ideological system of the party are that all the party members and other working people have been firmly prepared to be true revolutionaries of *chuche* type with intense loyalty to the party and the leader.

The dear leader expounded that the basic requirement and criterion of loyalty are to hold the leader in high esteem, absolutize the leader's authority, make the leader's revolutionary idea and instructions and the



party's lines and policies one's body and soul and unconditionally carry them out. Then he paid deep attention to letting all the party members and other working people live on that basis.

The greatest exploit of our party in establishing the party's monolithic ideological system is that it has trained all the party members and working people into staunch revolutionaries who always share their destiny with the party and defend the party and the leader with their lives.

Another exploit is that an unbreakable unity around the illustrious leader has been achieved.

In strengthening the unity of the party, the dear leader directed deep attention to inheriting the party's tradition of unity and strengthening it.

In Korea today, the tradition of unity has been creditably carried forward and the singlehearted unity of the leader, the party and the masses has been consolidated.

Another exploit is that the ideological position of Korean-style socialism has been cemented.

To cope with the vicious manoeuvres of the imperialists and reactionaries in recent years, the dear leader took measures to direct greater efforts to the ideological education of the party members and other working people than ever before and published many famous works, providing a powerful ideological and theoretical weapon to solve every problem our own way.

It is because our people are resolute ideologically and a powerful ideological position has been built in Korea that our socialism is making a long drive, not wavering in any storm and stress.

Impregnable is our socialist ideological position built by the dear leader.

### South Korea

#### IAEA Holds 25 May Negotiations in Pyongyang

SK2505232394 Seoul KBS-1 Radio Network in Korean 2200 GMT 25 May 94

[By correspondent Cha Man-sun from Vienna]

[Text] The International Atomic Energy Agency [IAEA] negotiation team, which arrived in Pyongyang on 24 May when the replacement of fuel rods was ongoing, began full-scale negotiations with relevant North Korean officials from 25 May.

During the negotiations on 25 May, the IAEA stressed that replacing fuel rods while not allowing inspection was a serious violation of the nuclear accord but North Korea only reconfirmed its previous stance that IAEA's demands cannot be accepted due to its special position of withholding the withdrawal from the Nuclear Non-proliferation Treaty.

According to a well-informed IAEA source, the negotiation will continue on 26 May even though there is no sign that the replacement of nuclear fuel rods may be suspended during the negotiations.

Relevant IAEA officials said that the IAEA inspection team completed its mission of inspecting North Korea's radiochemical laboratory but failed to extract samples from spent fuel rods of the five-megawatt reactor in question.

#### IAEA Inspections Said Completed

SK2605005294 Seoul YONHAP in English 0023 GMT 26 May 94

[Text] Berlin, May 25 (YONHAP)—The International Atomic Energy Agency [IAEA] denied reports Wednesday that IAEA inspectors had taken samples from North Korea's controversial 5-megawatt reactor at Yongbyon.

IAEA Spokesman Hans Meyer said the inspectors had completed checking a key radiochemical laboratory, but failed to take samples from spent fuel rods at the 5-megawatt reactor.

He said the UN experts had finished additional inspections of the laboratory last weekend, completing the task of collecting samples from the lab that was begun in March.

Meanwhile, an IAEA negotiating team began talks with North Korean officials to discuss technical issues related to witnessing the fuel rod replacement. The negotiations are to resume Thursday, but it is uncertain when and how they will end, Meyer added.

The two-man negotiating team headed by Demitri Pericos, IAEA safeguards department director, that arrived in Pyongyang Tuesday met with the North Koreans Wednesday, Meyer said.

Of the three inspectors who came to North Korea last weekend, two were taking part in the negotiations while the third left the country for Vienna to report the inspection results to the IAEA.

#### Foreign Minister Speaks at Nuclear Policy Seminar

SK2605081294 Seoul YONHAP in English 0542 GMT 26 May 94

[Text] Seoul, May 26 (YONHAP)—South Korean Foreign Minister Han Sung-chu called on North Korea Thursday to fulfill its obligations under the Nuclear Nonproliferation Treaty (NPT) and the inter-Korean denuclearization agreement.

An era of reconciliation and cooperation can begin only when North Korea embraces a policy of co-existence and cooperation, Han said in his keynote speech at the opening of an international seminar titled "Nuclear Policies in Northeast Asia."



The seminar opened at the Institute of Foreign Affairs and National Security (IFANS) under the joint sponsorship of the UN Institute for Disarmament Research (UNIDIR) in Seoul for a two-day run.

Over 60 experts from home and abroad are participating in the seminar including UNIDIR director Sverre Lodgaard, German Ambassador at large Josef Holik, Tokyo University Professor Takashi Inoguchi and a senior fellow at the China Institute of International Studies, Tan Han.

South Korea fully supports extension of the NPT beyond its scheduled expiration in 1995 and also favors strengthening the nuclear safeguards measures of the International Atomic Energy Agency (IAEA), Han told the seminar.

The seminar is divided into four sections on the nuclear policies of Northeast Asia, the potential for nuclear proliferation, preventive action against such proliferation, and the nuclear policies of Russia, China, Japan, the United States and South and North Korea.

#### **NUB Minister Cited on Resolving Nuclear Issue**

*SK2605110094 Seoul YONHAP in English 1041 GMT 26 May 94*

[Text] Taegu, May 26 (YONHAP)—Deputy Prime Minister [and chairman of the National Unification Board, NUB] Yi Hong-ku stressed on Thursday that the North Korean nuclear question has to be resolved not by third parties but by responsible authorities of the two Koreas.

In a speech at the "Square for Unification Dialogue" held at the Hillside Hotel here, Yi said, "to this end, there needs government efforts to tackle those productive areas that can be agreed on and implemented under the principle of resolution between the direct parties involved."

He said that since the nuclear issue is an all-important question over which the nation's survival is at stake, the government's basic stand is that it cannot allow inter-Korean exchanges or economic cooperation unless there is a substantial progress in nuclear negotiations.

"North Korea cannot possess nuclear arms because if they do, it would shatter power balance between South and North Korea and would possibly lead to giving Japan an excuse to go nuclear itself to the prejudice of peace order in Northeast Asia," Deputy Premier Yi said.

Also saying that the country now needs the kind of education to prepare for unification, Yi said the people should now prepare to share post-unification burdens.

#### **Government Seeks To Counter DPRK Move MAC**

*SK2605015294 Seoul SEOUL SINMUN in Korean 26 May 94 p 2*

[Text] The government on 25 May decided to take firm measures in conjunction with the United States and the

UN Command against North Korea's attempt to establish "the Korean People's Army representative mission at Panmunjom," under the assessment that its intent is to incapacitate the Military Armistice Commission [MAC] as well as to conclude a peace agreement with the United States through direct negotiations.

That day, the UN Command announced that it plans to ask North Korea to hold a senior secretaries' meeting of the committee at the earliest possible date to discuss the issue.

Assessing the current attempts of North Korea as being driven by the hidden intention to disperse the international concern focused on the issue of nuclear inspection, the government decided to inform North Korea of its stance through a UN Command channel rather than taking a formal government-level reaction.

Regarding this, a government authority said: "The issue of substituting the present system of the Armistice Agreement, including the replacement of the Armistice Agreement, should be resolved independently by the North and South, the parties concerned. This corresponds with the spirit of the North-South Agreement," and added that "the North side should sincerely abide by the Armistice Agreement and normalize the MAC at an early date."

#### **Police Seize, Search Pomminnyon Office in Seoul**

*SK2605054894 Seoul KBS-1 Radio Network in Korean 0517 GMT 26 May 94*

[Text] Seoul's Tongdaemun Police conducted a seize and search procedure today at the office of the National Alliance for the Country's Reunification [Pomminnyon] located on Chongno 6-ka in Seoul. Police disclosed that they conducted a seize and search for relevant documents following the South side headquarters of Pomminnyon's violation of the National Security Law in deciding to hold three-way talks with Pomminnyon's offices in North Korea and Japan over the phone in order to discuss the agenda of the Fifth Pannational Rally, which is slated for 15 August [National Liberation Day].

#### **Atomic Technology Agreement Signed With PRC**

*SK2605021894 Seoul SEOUL SINMUN in Korean 26 May 94 p 3*

[By correspondent Choe Tu-sam from Beijing]

[Text] The ROK and China decided to carry out multi-lateral cooperation in the electric power industrial field including the development of atomic power generations. To achieve this, Yi Chong-hun, president of the Korea Electric Power Corporation, and Jiang Xinxiong, president of the China National Nuclear Corporation, met at the Diaoyutai State Guest House in Beijing on the afternoon of 25 May and signed the technology cooperation agreement under the content of mutual exchange



and cooperation in building and operating atomic power generations and in the technology and research field.

Also on this day, President Yi concluded a technology cooperation agreement with Jiao Yian, general manager of the Huabei Electricity Group, on the overall electric power work including the building and operation of hydroelectric and thermoelectric power stations. On 26 May, he will conclude a similar agreement in Shenyang with the Dongbei Electric Power Group. On 28 May, he plans to sign a letter of intent for promoting the combined-cycle thermal power generation project with Pak Tong-kyu, mayor of Yanji.

### **PRC Reportedly Sent Official 'To Persuade' DPRK**

SK2605012694 Seoul YONHAP in English 0048  
GMT 26 May 94

[Text] Beijing, May 26 (YONHAP)—A high-level Chinese Foreign Ministry official visited Pyongyang last week and advised North Korea to compromise and negotiate a peaceful solution to the nuclear problem, a South Korean Embassy source here said Wednesday.

"A high-level official in charge of Asian Affairs at the Chinese Foreign Ministry came back after visiting North Korea last week," the source said, suggesting that Beijing is involved in last-minute efforts to persuade Pyongyang.

Chinese Vice Foreign Minister Tang Jiaxuan told visiting South Korean Lawmaker Mun Chong-su, secretary-general of the ruling Democratic Liberal Party (DLP), Wednesday that his country is urging North Korea to settle the nuclear row through dialogue and that Pyongyang responded positively.

Tang said this information had been delivered to South Korea and the United States, according to DLP Spokesman Son Hak-kyu.

The Chinese Government welcomes South Korea's flexibility in trying to resolve the nuclear dispute, such as withdrawing its demand for an inter-Korean envoy exchange, Tang was quoted as saying.

On the delayed conclusion of a South Korean-Chinese aviation agreement, Tang said the two countries had agreed on overall principles and commercial airline companies must now determine the business terms of the pact. He said he hopes to see the agreement signed soon.

The vice foreign minister said the two countries will sign an agreement on forming a South Korea-China Industrial Committee sometime this month. South Korean Ambassador to Beijing Hwang Pyong-tae will sign the accord along with Wang Zhongyu, minister of the State Economic and Trade Commission.

The committee, agreed when South Korean President Kim Yong-sam visited Beijing in March, is expected to convene its first meeting in Seoul.

### **\* Interview With ROK Ambassador to China** 942C0032 Seoul WOLGAN CHOSON in Korean Nov 93 pp 414-425

[Excerpts] Ambassador to China Hwang Pyong-tae, 58, is not a career diplomat, although he passed the foreign service examination upon graduation from the Economics Department, College of Commerce of Seoul National University; most of his government career was with the Economic Planning Ministry. But he is not widely remembered as an official of the Economic Planning Ministry, either. After the position of deputy assistant at the ministry, he went for to study in the United States. Returning from this study, he pursued an academic career.

However, his academic career did not last forever. He transformed himself into a politician, assuming the role of a political advisor on international affairs to now President Kim after meeting the President during his tenure as the director of Foreign Language Institute. He had served as a member of the 13th National Assembly representing Kangnam district of Seoul.

And, with the advent of the Kim Yong-sam administration, he is now a diplomat: Korean Ambassador to Beijing, with which our government established an official relationship less than a year ago and things have not been quite settled yet. It has been only five months since Ambassador Hwang took office as the ambassador in late May 1993.

With his various career experiences come the stories. It has been reported that he was in charge of political funds for President Pak Chong-hui as a deputy assistant minister of the Economic Planning Ministry. [passage omitted]

[Pak] Reforms in Korea and those in China are completely different..., how would you define, in fact, the nature of China's reforms?

[Hwang] There was a surprising news article in the paper this morning. The article said that China will recruit 14,000 professionals in the fields of economics and technology. According to China's paramount leader Deng Xiaoping's latest comment, the engine of China's socioeconomic development is China's elite. He further insisted that the elite should take the lead to lighten the burden borne by the general public. This implies, it seems to me, that he sees Chinese society as two tiered: the elite and the general public. What do you think of that? Officially, China pursues a socialistic path but in reality its economy is entirely similar to that of a capitalist system.

The difference you would find between our current economic system and that of China, if you really have to look for one, is in name only. Our market economy may be called an enlightened market economy. The only distinction we might draw between our economic approach of the 70's and the 80's, and the socialist



approach, is that we called ours government planning and guidance instead of socialism.

In some aspects, China is more open than we were. A typical example of this is the broad recognition of a local government authority over its economy. Local governments have jurisdiction over foreign trade activities under 20 million dollars. Most import authority, except for major items such as automobiles and TDX's (Transistor Data Exchanges), have been transferred to local governments.

We should also note that China is training professionals and entrepreneurs. In spite of systemic problems in its socialist mechanism, China currently practices a market economy backed by the Government. Whatever discrepancy there is, it's merely semantic. In substance, it's exactly a market economy. Recently Lawrence Kline, during the seminar he conducted in China, said: The economy we see in China, called a socialistic market economy, is a transitional phenomenon from socialism to market capitalism, i.e. from a planned economy to a market economy.

Jiang Zemin, president and Communist Party General Secretary, questioned (Kline) for an hour and a half. What China is hoping for is that it would eventually arrive at a system—through the course it is taking—in which all systems would function under a market economy, except its political power structure, which would remain controlled by the Communist Party. Of course, one big question still remains: Can the Communist Party can keep its grip on power as the economy transforms into a market-oriented system. My view is this: The Chinese Communist Party could be successful, for a while anyway, because the Chinese people recognize and accept a one party dictatorship of the Communist Party. The Chinese accept this, whereas the Russians would not.

This is why, lately, President Pak Chong-hui's economic development models implemented in the early days of our economic development, and his biography are gaining popularity in China. [passage omitted] I repeat: there are a great many similarities between China today and Korea in the early days of President Pak Chong-hui's rule. How the people of China manage the current of democratic change would greatly affect the record rate of China's economic development seen at the present time.

[Pak] Right after the Tiananmen Square incident, a scholar named Ha Shin of the China Academy of Social Science (CASS) came up with a theory called neo-authoritarianism which summarized what you, Mr. Ambassador, have just said. In short, the conclusion of this neo-authoritarianism theory is that "political authoritarianism is necessary to bring about economic development in Asia."

Validity of the theory has been evident in the Nationalist Party system in Taiwan, the Lee Kuan Yew system of Singapore, the period of Japan immediately following Meiji Restoration, and our own past. Not long ago Mr.

Peter Hyon [Hyon Ung] related the following episode as I met with him in Beijing. Some time ago, Mr. Peter Hyon asked President Pak, "When are we going to have democracy in our country?" And, President Pak was said to have replied: "At the present, we can hardly expect to see true democracy in our country because we do not have the middle class as a nation. But it is probable that we will have democracy once formation of the middle class becomes reality as the result of successful implementation of my economic development policies."

Mr. Peter Hyon seems to imply that there is irony in our country's political scene. What he means is that it was President Pak's successful economic development, which brought about the formation of the middle class in our country, that made the advent of a civilian government of President Kim Yong-sam. He was the most critical political adversary of President Pak's. The power base of this government is the middle class. Nevertheless, I wonder if we can genuinely call the current political system in Korea democratic rather than authoritarian. There seems to be something amiss in the system, though we can not exactly pinpoint it, in spite of the expectations we all had for the new administration early on.

The reform measures carried out in Korea seem to be "forcedly administered" in accordance with President Kim's visions, by any definition. This seems to be incompatible with the current worldwide trend. Although, I suppose, future scholars of political science would sort out President Kim's reforms..., how about, Mr. Ambassador, giving us your views on this? (As soon as I presented this question to him, Ambassador Hwang asked me to change the subject. And he wanted our conversation centered around the events in China. Thus, our subject of conversation turned to China.)

[Hwang] Let us look at what the future holds for China. In addition to the fact that China's economy is currently growing at the rate of more than ten percent yearly, one thing we have to pay close attention to is the national trait of Chinese people. I mean their patience in spite of everything. I believe the people of China, with their patience and forbearance, will definitely surprise the world. They are showing, these days, the kind of economic growth observed in the record-rate growth of Japan in the 60's and in our own economic growth of the 70's. By the time the 21st century rolls around, their economic growth will definitely surprise the world. And, as the economy grows, the democracy will follow; wouldn't you say?

Here, once again, the question one might raise is how long the socialist ruling system of the Communist Party could last. Although this is strictly my own personal opinion, we are the only country among Asian nations that arrived at democracy as the result of economic growth. Where Korea has arrived is only a natural outcome, considering that the path it took was a textbook case of the Western theories. Yet, it remains to be seen whether the case of Korea could be considered a



general rule applicable to the development history of all Asian nations or an exception.

It would be difficult to expect, even after the year 2000, that there would be a change in China from the state of the system in which the press were censored and that the Communist Party would not cling to the system of one party rule. But I suspect there would be a change in division of power between the central and the local governments in China. What I mean by this is that the central government would deal with foreign policies and national defense, and economic matters would become the responsibilities of various local governments. In other words, I am contemplating the possibility of China, with such vast territory, becoming a "United States of China" as the result of division of power between its central and provincial governments.

[Pak] However, publications in Hong Kong gave the impression that the reform faction, who attempted the delegation of power to provincial governments, had been crushed during the course of Tiananmen Square incident. They said that, at the time, Za Ji-yang, the General Secretary of the Party, initiated the process of delegating authority to local governments, having concluded that "the centralized power was not the answer," and came to encounter the Tiananmen Square incident, and that Premier Li Peng, after the Tiananmen Square incident, stalled the delegation of power process and began to reinforce centralization of power.

[Hwang] Nonetheless, currently, the most often debated subject is actually local governments' rights to separation of power. They say that this is a major subject of research at the Chinese Academy of Social Science. There have been numerous books written about it and I recall an article stating, "The worst enemy of China is in the provincial issues."

At any rate, there is hardly a sense of insecurity about openness and reform in China today. The people feel confident enough in carrying out reforms to be adventurous. One other indisputable fact is that Mao Zedong's populism is finished in China. But it seems that this is not the case in our country. I remember reading a Korean newspaper article, in which the writer stated, "Ten percent of the public are reluctant to endorse the reform although 90 percent welcome it." The point the writer is making is that the ten percent still deserve critical attention even though the reform was being applauded by the other 90 percent.

In socialism, certain measures are designed for popularity with the masses rather than being based on their own merits, but the reform measures in China today are based on their own strengths. For farmers, the only measure taken by the state is economic assistance such as providing the development funds, otherwise, they are left alone. Thus, the populism is disappearing in the economic front, as well.

[Pak] There is Ozawa in Japan and there is Deng Xiaoping, though aged, in China. Who, in your opinion,

would be the comparable leader in our country who would lead the nation with a set of objectives?

[Hwang] In my opinion, President Kim holds the idea that "power is inherently corrupt," having spent 30 years as an opposition party leader. Accordingly, he is strong on dissecting things but seems to have somewhat detached optimism toward a subject matter, once sorted out, in following it through. He seems to believe that things do get better when you shake them up. For the truth of the matter, we will just have to wait and see. Economic matters do not always seem to follow this reasoning.

[Pak] As for the precedence in China of controlling cultural life being an impossible task as seen in the short-lived Cultural Revolution initiated by Mao Zedong...

[Hwang] What it amounts to is that Mao Zedong stepped on a tiger's tail.

[Pak] Cultural Revolution ended in 1976 Tiananmen incident. The forcible control of the incident by the military killed the Cultural Revolution. Learning a lesson from this, do you think it at all possible that the reform in Korea might end in the same fashion one day suddenly like the demonstrators in front of Seoul City Hall, crushed with force because of the policies that encourage and please only the poor and lower strata of our society?

[Hwang] It seems unlikely. President Kim has long, hard experience with political dissent. He is identified with the mass participatory democracy (democracy in which the mass public participates). The mass democracy surrounding the Cultural Revolution was not quite the same thing. Should I have to define the current state in Korea whether it was a mass democracy or an elitism democracy, I would at the moment, tend to call it a mass democracy.

If detracted, a mass democracy could result in a populism. What started as a mass democracy could, by one misstep, become a populism. However, in any event, there will be a period of pause for reassessment our reform after it reaches a certain point. You cannot just tear things down nonstop, of course. If things begin to generate fears, there could be little chance for any further construction. The way I see is that the house-cleaning and the symbolic phases of reform have been concluded with the implementation of the real name financial system. What remain would be reform efforts in areas such as education, administration and financial system. I can not imagine that the President would make any wrong move. He is now at the threshold of his policy for which he would need a metaphysical perspective and operations management skills. In the case of Mao Zedong, there is strong evidence that he was reaching for equality of consequences and horizontal equality; in other words, he was not only for economic but also political equality. But President Kim, quite apart from what Mao Zedong personified, is trying to realize much



more liberal democracy, through his reform which is a reflection of reassessment and surgical in nature. There is no comparison between President Kim and Mao Zedong because what President Kim is trying to accomplish is not to realize equality for all but to carry out a "surgical operation" as the necessary intermittent course of action. And, there is no parallel between the two.

[Pak] Russia is lately going through turmoil. Originally, Russia and China had the same political system; yet, China seems to keep things relatively well under control and Russia seems to have such difficulty; what could be the reason?

[Hwang] There are two reasons. Russia has been a country which has not meant to be one nation. What binds a nation together is its nationalism; is it not? A sovereign state has to have a common sense of a nation in order to establish itself as a nation and the Soviet Union was not able to establish itself as a nation from the very beginning. The reason the Soviet Union, despite this, became a nation is that it used the ideology, socialism, as the common thread binding the nation instead of nationality. Thus, the first reason: The Soviet Union had used the oppressive policies of communism.

The biggest distinction we see between China and the Soviet Union is that China still retains its nationality even after the worldwide demise of socialist foundation. And the second reason is that China, backed by this nationality and through its economic development, was able to give its citizens hope that they would have a better living.

I think the foundation for better living in the Soviet Union fell also after the fall of socialist foundation, don't you? Thus, I believe the nation which benefits the most from the disintegration of the Soviet Union is China. The People of China are confident. I think the people of China themselves care very little about issues such as freedom and so forth but are all for making money right now, although the outside world has been busy lately talking about the anniversary of the Tiananmen Square incident; don't you? They concern themselves little with things like human rights.

[Pak] I remember a story. At the time of the fall of the Soviet Union, Deng Xiaoping was said to have remarked: "In Russia, the man named Gorbachev violated a cardinal rule. Disregarding Marx's maxim that, for an organization, the change of its upper echelon would naturally follow if its base units were successfully changed, Gorbachev initiated perestroika which was intended for reform of the upper structure and ended up in miserable failure for the lower structure too of the Soviet Union." And Deng Xiaoping was said to have instructed that the firm grips on the upper echelon should continue but there should be diligent efforts to nurture and strengthen the lower echelon.

[Hwang] The story has a good point. The Soviet Union had to deal with the additional problem of geographic sectarianism in addition to the fall of its two main

ideologies: socialism and equality. And the Soviet Union ended in turmoil, as it was not equipped with an ideology to overcome this sectarianism, and the central government authority disintegrated. Furthermore, the third contributing factor was the fact that the hope for a better future of its people, too, has been destroyed; hasn't it? Contrasting this, there is a superabundant hope among its people in China that the 1.2 billion population will have a better future with improved living standards, don't you think?

[Pak] Some say that the reforms currently in progress in Korea do not accompany a strong lower-level structure, organizationally. What they are saying is that the whole system could become shaky as the result of the current frequent practice of restructuring and cutting the upper echelon under the assumption that all is well with the lower echelon as the upper echelon in the days of (5-6 Kong) could easily have been manipulated to implement successful economic policies for their ineptitude.

[Hwang] They have a point. Because we realize that what President Pak had practiced was the economy pulled by an enlightened government. This economy pulled by an enlightened government seems to be in a state of confusion because it lost its center post one morning as the political scene had changed. Supposing that you wake up one morning to find that for a government assistance to your business had been dashed, you would naturally be overcome by the fear of your bankruptcy; wouldn't you? I would like to call it regimentation, i.e. business health maintenance. Although President Kim had already stated along the same lines, I believe, the system should be able to nourish businesses despite the change in political power structure. We cannot afford the government's hands-off policy neglecting the health maintenance of businesses.

You know as well as I do that a patient's life depends on the care given for recovery after surgery. This is precisely the type of problem our nation's economy faces right now. It raises a vital concern for us to contemplate where we would be in the next few years with economic growth of only four percent per year compared to the 13 percent annual growth rate of China with a population of 1.2 billion. One other point here: it would indeed be a grave situation if the relationship between our economy and China's ever became competitive. We must keep the relationship to be one of co-existence and cooperation. From the start, we and China were not to compete against each other.

The point I would like to make is that we should place strong emphasis on investment in China rather than trade. Our investment would lead a path to a joint progress through our technological resource and China's labor force. This is a relationship of coexistence and cooperation. We ought to cultivate a strategic relationship of cooperation with China through our investment in such industrial fields such as the automotive industry. If we limit ourselves to short-term trade, which is bound to be competitive in nature, we would not last for very



long. The objectives of Korea-China relations should be coexistence-cohabitation centered around investment rather than trade.

[Pak] Although what you have just said is probably true in an economic field, China appears to hold its prescribed opinions on its neighboring countries as was shown in the political situation of Cambodia. It seems that China would like to have the governments of the nations near its border under its influence as was demonstrated in its welcome for Sihanouk with open arms when he had nowhere else to turn to. China has maintained its own plans on North Korea and I wonder if it has not had its operating objectives toward South Korea, with which it had not had official relations for the past 40 years, to realize a structural change in, South Korea, receptive to its political influence.

[Hwang] In the past, there had been a period in China when its internal politics were dictated by Mao Zedong and its foreign policies by Chou En-lai. During the period, Chou En-lai left a monumental legacy, considered to be of timeless soundness, for the conduct of international politics. To be exact, it consists of five principles of peaceful coexistence. Those five principles are still adhered to, today by the government of China. I believe some of the results of China's foreign policy based on the five principles are seen precisely in the cases of Cambodia's Sihanouk and also of Arafat; wouldn't you say?

I heard that Arafat visited China more than 30 times. There has been not a single deviation in China's foreign policy conduct from the five principles of peace. (Chon Ki-song), (foreign minister of China), has been saying the same thing at the United Nations recently. Ever since the Bandung Conference of 1955, they have consistently been the guiding principles of China's foreign policy. During that time, even faced with some hard choices, China has been consistent in maintaining its posture adhering to the principles without a compromise. This is the foundation, I believe, on which China has been able to maintain consistent relations with Sihanouk and Arafat. China's move on North-South Korea relations is based on the principles, as well. I understand China made its position clear stating that it "supported negotiated resolution through dialogues but opposed any rival conflict as a means of solution for the North-South Korea relations and firmly believed in nuclear-free Korean peninsula."

These principles maintained by China impressed Kim Il-sun recently, as well. It appears that Kim Il-song acknowledged them, for the first time. He said, "China's reform and open policies are going rather well." China's five principles of peace are having great effects on the relations between the United States and North Korea. I suspect the reasons behind North Korea's approach to the United States, of course, are to prevent a United States military attack or economic embargo.

However, the principal cause for North Korea's overture to the United States was, above all, the application by China of its five principles of peace to the issues of Korean peninsula. Eventually, North Korea had little choice but to follow the Chinese initiative. As you may recall, North Korea clearly stated that it would maintain dialogues with the United States as China wished, and lead a policy toward foundation for stability in Korean peninsula and its borders," to Ho Kum-su, a regular member of the Chinese Communist Party Political Bureau, and Wang Han-mu, Vice Chairman of the Standing committee of the National People's Congress of China, during their visits to Pyongyang.

I wrote about this in my report to Seoul not long ago. North Korea's openness would follow once the nuclear issue between the United States and North Korea, and the problems between South and North Korea and between North Korea and the International Atomic Energy agency were resolved. Kim Il-song would move quickly to openness. That was my report.

Also, I sent a long report concerning our approach, had North Korea decided to take the road of reform and openness. We would benefit from China's five principles of peace, just as Sihanouk of Cambodia did.

[Pak] If my memory serves me correctly, I believe diplomatic issues had been nearly non-existent in China during the Cultural Revolution because of preoccupation with internal problems. There had not been, on China's part, any mention of the five principles of peaceful coexistence for some time, even after the Cultural Revolution. About the fall of 1989 China all of a sudden proclaimed "We will resurrect the five principles of peaceful coexistence we had in past and adopt them as the principles for foreign policy of today. It seems to me that this revival of the five principles of peaceful coexistence of the 50's happened because China saw the need for peace and order in carrying out its reform, openness, and economic development, as it was experiencing internal difficulties surrounding the incident of Tiananmen Square. Lately, the five principles of peaceful coexistence are being applied to the issues of Korean peninsula as well. Have you not observed any attempt or move by China to secure a leverage for its influence in Korea, i.e. to install a group supporting China by forming a pro-China political faction in Seoul, etc.?

[Hwang] On that point, the Chinese do not seem to be overly anxious. The way they see it, it seems, is that China could return to its past glory as a strong power by uplifting its economy as a nation, and freeing itself of foreign economic pressures. What they are trying to do preponderantly seems to be to maintain good-neighbor relations with most of the nations of the world, but to be alert enough not to be ignored or intimidated by any. They seem to think that the number of the nation's population, 1.2 billion, in and by itself gives them a supremacy [Pak] Not long ago, Kim Il-song had made, it seems to me, a remark of major proportion when he said,



"China's reform is encouraging to us, North Koreans," during the visit to Pyongyang by (Wang Han-mu), (Vice Chairman of the National People's Congress (NPC)) of China.

[Hwang] Kim Il-song came to Beijing 99 times, but, since the establishment of diplomatic relations between South Korea and China last year, he has not made a single visit to Beijing. China discontinued its once brisk exchanges with North Korea and high-level exchange has become infrequent. After one year of this kind of atmosphere, Kim Il-song had no choice but to say that China's reform was the right course of action. That portion of Kim Il-song's speech in which he said that "China had become a nation of wealth through its reform and openness" deserves a special attention. The word "wealth" is reminiscent of the old concept of "a nation of wealth and mighty army" and not of a vocabulary conducive to the socialistic ideals. In other words, the word connotes the idea of luxury living; wouldn't you agree? The word takes the bite out of combative spirit. Thus, we might say that what Kim Il-song said was that China's becoming a nation of wealth had been an encouragement to North Korea. Realizing this, we can understand why Kim Il-song said to China "there would be no rival conflict in Korean peninsula." And, about the nuclear issue, he said that there would be satisfactory dialogues with the United States. This, I believe, was the meaning of Kim Il-song's statement.

Although it might be somewhat premature to draw a conclusion definitely as such, I suspect, reading fine points in what Kim Il-song said, that North Korea would join hands with China soon, is pursuing its reform and openness. In this context, it calls our attention to the fact that North Korea is ready to accept China's venture capital in the Nachin frontier area, north of Chongjin. One other interesting development is the story being circulated that North Korea would give a 50 year lease of Chongjin to China.

My gut feeling is that North Korea is trying to develop the area of the Nachin frontier and Tumen river basin to such a massive scale that, once completed, would resemble nothing we have seen or heard of so far in North Korea. What North Korea is betting on is that once China invests its capital in the region, naturally South Korea would follow and, then, Japan, Taiwan and Hong Kong and so forth, as well. It would be a big mistake if we did not take our part in the investment and left when China invested its capital in North Korea. We have to prepare ourselves for this. As for Kim Il-song, I doubt he would ask for a direct dealing with South Korea. He would probably look for the dealings with South Korea through China. This is one of the reasons why our relationship with China is critical to us.

[Pak] If and when such a prediction becomes reality, I suppose our economic potency, above all, would be a critical factor; do you think we might be left out because of our less than ideal economic posture?

[Hwang] There are a few facts that should make us feel safe as far as China is concerned. First, we are at least 10 years ahead of China in economic development.

Secondly, we as a people have always been very cost conscious, i.e. driven for efficiency. In contrast, cost consciousness or cost accounting is not the norm in China. This is, in a way, a detrimental shortcoming of China's economy.

Thirdly, people in China are used to being ordered around by bureaucrats to manage their economic lives. It would take a long time for China to arrive at the properly functional mechanism and system of its economy, including those financial and monetary areas. Recently, they have been studying Japan's monetary system. Setting up the system alone would take China the next four to five years at least, as they are currently debating about institution of a taxation system.

As for economic systems, I believe China is 10 to 15 years behind us. I don't think we have to worry much if China continues at this current pace. If we fail to invest more capital and improve our technology, and China keeps up its economic growth at the current rate, which is 13 percent per year, we will have a big problem. However, we need not worry, I believe, if we deal with the situation, as we did before, with new investment and continued improvement on management technology of our industry.

[Pak] Yasushi Akashi, a former Japanese Ambassador to Thailand, is famous for having made it possible for Japan to expand outward. As an ambassador to a South-east Asian nation, he led Japan into Southeast Asia. Have you, Ambassador, considered yourself the Korean version of Yasushi Akashi regarding our relationship with China?

[Hwang] There has been a lot of criticism lately. As you probably heard, the Germans rushed into their reunification too hastily. What is clear to us is that the reunification of North and South Korea is the most important of all issues regardless of its final shape or form. Nevertheless, we can learn a lesson from the case of East and West Germany and be ready to let North Korea choose its own way of life, which, I believe, is terribly important. Even after the fundamental issues were ironed out, I am afraid that there would be a considerably long period in which North and South Korea would be in a state of commonwealth or federation, meaning one nation with two different systems. In order to achieve all these, we must maintain our close relationship with China. The reason for this is obvious. North Korea is currently in a situation where it would welcome any party that came jointly with China. The timing and the laying of foundations for unification should also be attempted and attained with the help of China.

[Pak] It has been over five months now since you arrived in May of this year. How do you, Mr. Ambassador, assess the situation? Has it been a wise policy decision, on our



part, that China should lend a helping hand in order to keep North Korea from causing any trouble?

[Hwang] North Korea at present still remains a country whose people have a hard time just affording three meals a day. In contrast, per capita income in South Korea is more than 6,000 dollars and if the two countries merge, with this backdrop, it is highly probable that this disparity would cause a further division internally for the nation. The economic disparity would naturally lead into cultural discord and adversely affect the very lives of the people. We must exercise the utmost care in order not to rush into things as even Mr. Kim Tae-chung stressed. It takes time to solve socioeconomic problems. I believe any hasty action out of political expediency could simply compound the problem.

[Pak] I recall seeing Mr. Han Sung-ju, once in the early part of this year, prior to becoming the Foreign Minister, on television conversing with Professor Lester Thurow of the United States. As Minister Han said "we were greatly concerned about the cost of unification," Professor Thurow, with a grin in his face, was saying: "West Germany had a detailed plan to improve the East German living standard to the same level as West Germany's within five years. Part of this plan included a program to install a \$3,000 cellular telephone for East German families despite the fact that the West Germans used an 800 dollar telephone in their homes. This was an example of why it was necessary for West Germany to deal with unification cost. But I would question, indeed, if such preposterous measures would necessarily be considered a part of Korean unification cost." He seemed to be saying, in other words, it could be a strategic mistake for South Korea to place too heavy an emphasis on unification planning, and...

[Hwang] Professor Thurow is purely an academic economist. Economic solutions alone would not bring answers to politico-cultural questions and the emotional question of a nation within. We should consider unification cost a secondary issue. Problems we would face as a nation are political though they contain elements of economics, too, to a degree. Consider, if you will, that there are people who shed tears simply by viewing Kim Il-song, in North Korea, particularly. This is not the same as the East Germans felt about Honecker.

We have to look and see things beyond their superficial appearances. Even the Japanese are getting worried that there might be an influx of the North Korean refugees as the result of a riot in North Korea... Consider this for a moment, if you would. Supposing that a mass of North Koreans came and lived in Uichongbu, it would bring hardship to people living in Seoul, also. We should be concerned about what in reality had happened in Germany, i.e. a flood of East Germans came and lived in rural areas of West Germany.

[Pak] What should be the role of our embassy in China and what can we expect the embassy would accomplish? Please tell me your views on this, from the experience you have had so far.

[Hwang] The role of Korean Ambassador to China is to seek out the best ways to maintain comfortable coexistence between Korea and China, especially, in the future, in the 21st century. In short, the role should be to enhance the relations of the two countries based on economic matters, also to go above and beyond economics and, thus, coexist.

#### **President Not To Discuss Debt During Russia Visit**

*SK2605110494 Seoul YONHAP in English 1045  
GMT 26 May 94*

[Text] Seoul, May 26 (YONHAP)—The question of getting repaid the credits South Korea had extended to Russia will not be discussed during the upcoming visit to Moscow by President Kim Yong-sam, a senior government official said Thursday.

Instead, the government will send a Finance Ministry mission to Moscow in early June to sound out the possibility of obtaining the repayment in kind, Second Assistant Finance Minister Yim Chang-yol said.

While meeting with reporters Yim said the government believes that getting the credits repaid in kind best serves national interests under the present circumstances.

The Finance Ministry mission will be led by Chong Tok-ku, Finance Ministry's director-general for international cooperation, he said.

The assistant minister said that it may be possible to obtain the repayment in such goods as coal, machinery and asbestos and in the right to use land for the construction of a Korean trade center in Moscow.

If the feasibility of obtaining the repayment in kind were determined in the mission's visit early next month, a meeting of high economic cooperation officials will take place toward the end of June or early July to discuss the matter in earnest, he said.

#### **Kim Yong-sam Meets Prime Minister of Sri Lanka**

*SK2605095794 Seoul YONHAP in English 0456  
GMT 26 May 94*

[Text] Seoul, May 26 (YONHAP)—President Kim Yong-sam lunched with Sri Lankan Prime Minister Ranil Wickremasinghe on Thursday, exchanging views on matters of mutual concern including promotion of bilateral economic cooperation.

President Kim said, "Our two nations have expanded cooperative relations in various fields since we formed diplomatic ties in 1977. In particular, bilateral economic exchanges have developed remarkably. I am very satisfied that South Korea, as the most important investor in Sri Lanka, is contributing very much to the development of that country."



The visiting Sri Lankan prime minister held talks with his South Korean counterpart Yi Yong-tok on Wednesday and signed an agreement on scientific and technological cooperation. He is scheduled to leave Seoul on Friday.

### **ROK, Japan To Expand Cooperation in Multi-Media**

*SK2605102994 Seoul YONHAP in English 0810 GMT 26 May 94*

[Text] Seoul, May 26 (YONHAP)—Trade, Industry and Energy Minister Kim Chol-su and his Japanese counterpart Eijiro Hata held the third Korea-Japan trade ministers' meeting in Tokyo on Thursday, with both agreeing to expand cooperation in such high-tech information fields as multi-media.

They also decided to open a working-level meeting headed by division director-level officials from Korea's Trade, Industry and Energy Ministry and Japan's International Trade and Industry Ministry.

Through the meeting, the two governments aim to spur standardization, joint research, technology cooperation and personnel education in the multi-media sector.

The move indicates that technology cooperation between Seoul and Tokyo has shifted from traditional to more sophisticated industries.

Moreover, the two ministers agreed that the Seoul Government will choose model small- and medium-sized firms in such areas as home electronic appliances, general machinery and automobile parts manufacturing, and then the Japanese Government will send experts to these Korean companies to provide support.

Korea will dispatch 200 additional trainees from small- and medium-sized companies to Japan in 1995-98 and Tokyo will send 20 experts this year and 30 experts from 1995 annually to Seoul.

The Japanese Government also plans to send an economic delegation to Seoul in late October to study investment conditions.

Meanwhile, a 100-member Korean delegation headed by the chairman of the Korea-Japan Economic Association, Pak Yong-hak, is visiting Tokyo, Osaka and Kita Kyushu from May 25-31 to attract Japanese investment.

### **Ex-Opposition Leader Criticizes Foreign Minister**

*SK2605032494 Seoul THE KOREA TIMES in English 26 May 94 p 2*

[From the "Press Pocket" column]

[Text] Former opposition party leader Yi Chol-sung criticized Foreign Minister Han Sung-chu for calling North Korean President Kim Il-song "great leader" and expressing regrets over Korea's dispatch of combat troops to Vietnam during the Vietnam War.

Yi alleged that Han's remarks were apparently "derogatory to the soldiers who fought in the Vietnam War for the cause of democracy."

He also took issue with Han saying that "his life was saved by a North Korean soldier during the Korean War when he was seriously injured by the UN Forces' bombing."

Meanwhile, a ministry spokesman dismissed Yi's criticism as "ridiculous" saying that the word "great" has widely been used to jeer Kim Il-song rather than eulogize him.

Yi also denounced President Kim Yong-sam's personnel management by claiming that the government has appointed scholars holding "ambiguous ideologies" as Cabinet members, thus leaving his fellow orthodox rightists in disarray.

Yi also charged that former opposition leader Kim Tae-chung, now chairman of the Asia-Pacific Peace Foundation, is seeking a political comeback despite his repeated announcement of his retirement from politics.

Yi made a similar accusation Friday in a statement released in the name of a civic body he heads.

In an interview with the WASHINGTON TIMES, Kim had reportedly said even if Pyongyang possessed two or three atomic bombs, it would not be much of a problem compared with the 20,000 nuclear warheads that the United States has.

He also said that the United States should dispatch former president Jimmy Carter to Asia as a special envoy and invite North Korean President Kim to Washington.

The reports touched off a wave of criticism from the ruling Democratic Liberal Party and the National Unification Board for distracting the government's official nuclear policy aimed at eradicating North Korea's suspected nuclear arsenal.

Kim denied his remarks later, alleging that the reports were totally groundless. Kim even said that Pyongyang clandestine nuclear weapons program should be stopped at all costs and the government should be the sole channel of dialogue with North Korea.



## Burma

### Indonesian Ministers Arrive on Goodwill Visit

*BK2505163594 Rangoon Radio Burma in Burmese  
1330 GMT 25 May 94*

[Excerpts] An Indonesian delegation comprising Mr. Hartarto, coordinating minister of industrial and trade affairs, and wife; Dr. Haryanto Danudirto, minister of communications; Mr. Joop Ave, minister of tourism, posts, and telecommunications; senior departmental officials; and entrepreneurs arrived in Yangon [Rangoon] by special aircraft at 1130 for a goodwill visit at the invitation of the Government of the Union of Myanmar [Burma]. [passage omitted on welcoming ceremony]

Mr. Hartarto, Dr. Haryanto Danudirto, Mr. Joop Ave, and entourage then called on Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], at the Padauk Hall of the People's Park Restaurant at 1830. Lt. Gen. Khin Nyunt and wife Daw Khin Win Shwe later hosted a dinner in honor of the Indonesian guests. The dinner was attended by Vice Admiral Maung Maung Khin, and Lt. Gen. Tin Tun, deputy prime ministers; Lt. Gen. Tin U, SLORC secretary-2; SLORC members and wives; cabinet ministers and wives; deputy ministers; and department heads. At the reception, Lt. Gen. Khin Nyunt and Mr. Hartarto exchanged toasts. Afterwards, the visitors were entertained with cultural dances at the Theatrical Hall.

Meanwhile, Dr. Haryanto Danudirto called on Lt. Gen. Thein Win, minister of transport, at his office at 1530. They held cordial and frank talks on bilateral air traffic matters, development of ports, training programs, and bilateral cooperation. Furthermore, Mr. Joop Ave, called on Lt. Gen. Kyaw Ba, minister of hotels and tourism, at his office at 1530. At the meeting, Mr. Joop Ave explained that Myanmar and Indonesia have been good friends and the friendship will never be forgotten. He said both countries value independence and the friendship with Myanmar will always be remembered since both countries previously struggled to gain independence. He noted that at one point Indonesia received help when it was in need, so now Indonesia would like to help Myanmar in its time of need. He noted that Indonesia would like to help and cooperate in the development of Myanmar's hotels and tourism services. He explained that Indonesia is ready to assist in the training of Myanmar hotel personnel and that hoteliers accompanying him could give more assistance. He said Indonesia is ready to train about 50 Myanmar hotel personnel and explained that one conviction in Indonesia is to develop the country in a modern way, but not in the Western style. He said Myanmar hotel and tourism services should be developed according to Myanmar culture and tradition. He suggested that local Myanmar products should be used in hotel construction, Myanmar cuisine should be promoted, and traditional Myanmar entertainment should be offered. He said

emphasis should also be placed on promoting and expressing Indonesia's willingness to cooperate.

Lt. Gen. Kyaw Ba thanked the Indonesian minister for the suggestions and invited him for further visits.

### Meet SLORC's Than Shwe

*BK2505150194 Rangoon Radio Burma in Burmese  
1330 GMT 25 May 94*

[Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] and commander in chief of the defense services, received visiting Indonesian Coordinating Minister of Industrial and Trade Affairs Ir. [Engineer] Hartarto and delegation at the Protocol Chamber of the Pyithu Hluttaw [People's Assembly] Building at 1400 today.

Also present on the occasion were General Maung Aye, vice chairman of SLORC and deputy commander in chief of defense services; Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, deputy prime ministers; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; and U Ohn Gyaw, minister of foreign affairs. The visiting Indonesian Minister was accompanied by Dr. Haryanto Danudirto, minister of communications; Mr. Joop Ave, minister of tourism, post, and telecommunications; senior officials; and Indonesian Ambassador Mr. Mohamed Sanusi.

### Yunnan Governor, Delegation Departs for PRC

*BK2505154794 Rangoon Radio Burma in Burmese  
1330 GMT 25 May 94*

[Text] Visiting Yunnan Province Governor Mr. He Zhiqiang and party, accompanied by the PRC ambassador, met and held talks with a Myanmar [Burmese] delegation led by Brigadier General Abel, minister of national planning and economic development, at the latter's office. At the meeting, they finalized recent talks and discussions and Brig. Gen. Abel and Mr. He Zhiqiang later signed the minutes of the meeting.

Yunnan Province Governor Mr. He Zhiqiang and delegation left Yangon [Rangoon] by air at 1415 this afternoon.

### KNU Leader Interview on Talks With SLORC

*BK2605065394 Oslo Democratic Voice of Burma in Burmese 1430 GMT 25 May 94*

[Telephone interview with General Saw Bo Mya, chairman of the National Council and Karen National Union, by an unidentified correspondent—place, date not given]

[Text] [Correspondent] I would like to ask about the cease-fire agreement with the SLORC [State Law and Order Restoration Council]. General Mya, what would you like to say about this?



[Mya] Our view is that we will not be able to achieve internal peace through a cease-fire agreement with the SLORC. The SLORC's cease-fire is a sham. The revolutionary forces in Burma took up arms for political reasons; the SLORC is pursuing a cease-fire, but this does not solve the political problem. Internal peace can only be established when the political and ethnic problems are solved. The SLORC is not doing this. It is pursuing a cease-fire, but it is not talking about politics. When political issues are raised, it insists categorically on the surrender of arms. The KNU [Karen National Union] cannot accept this.

Other ethnic groups made cease-fire agreements with the SLORC and held talks, but they were not allowed to raise political questions; they stopped at the cease-fire issue. This does not serve the interests of the ethnic groups' armed revolutionary struggle. Furthermore, the SLORC does not wish to establish internal peace; we have learned that it is pursuing this in order to get foreign loans.

[Correspondent] The news on the outside is that the SLORC and Gen. Mya's KNU are attempting to hold cease-fire talks. Considering the points you just mentioned, what reason would you have for holding cease-fire talks?

[Mya] We will not discuss a cease-fire with the SLORC. We will participate, however, if talks are held. If we participate we will do so according to DAB [Democratic Alliance of Burma] policy; if we hold talks we will do so as the entire DAB. We informed the SLORC, but it did not accept this. It said it will only hold separate talks. We said we would hold separate talks, but they had to be held abroad in accordance with DAB policy. The SLORC did not accept this; it wanted to hold the talks in Rangoon.

We insisted on holding talks abroad because we held talks with the BSPP [Burma Socialist Program Party] on three previous occasions without any success. On these previous occasions, they said the political problem had to be solved politically and insisted on surrender. Now the SLORC is doing the same. We insisted on holding talks abroad because it insisted on surrender without attempt to solve political problems by political means. We want to hold talks abroad because we want to establish genuine internal peace and discuss matters freely as we wish. We want to work in a cordial manner in an attempt to bring about internal peace. It is neither our desire nor wish to obtain a cease-fire; we are striving for lasting peace. The SLORC, however, does not accept this.

[Correspondent] I gather from what you just said that you wish to hold talks with the SLORC not only on the limited matter of a cease-fire, but on broad issues including political and military matters and the issue of peace in the country. Is this assessment correct?

[Mya] Yes. We want peace for the entire country and not just peace between the Burmese and Karen. We want peace in the whole of Burma.

[Correspondent] You said the SLORC rejected your suggestion. According to one report we received, the SLORC verbally rejected your proposal to hold talks in Thailand. Is this correct?

[Mya] That is correct. I met the military attache, but they also did not accept this.

[Correspondent] There is a report that Khun Sa had proposed an alliance with various ethnic groups, including the KNU. Is this true?

[Mya] There was an offer from Khun Sa. Khun Sa had publicly declared the formation of a republic. We sent some youths to observe his declaration of a republic. We wanted to study the extent of the Shan people's support and interest.

[Correspondent] The SLORC has alleged that representatives of the KNU, Mon, and Karenni met with Khun Sa to discuss a military union. Would you like to comment on this?

[Mya] This is not true. It was not aimed at military union. We wanted to observe whether they would fight after achieving independence. As far as we observed, they will not fight the SLORC, but will retaliate if the SLORC attacks them. That is what we observed.

[Correspondent] That is all I would like to ask on the current situation. Would you like to add anything, Gen. Bo Mya?

[Mya] The people of Burma are being oppressed and insulted by the SLORC. Other countries should consider this; they should remember the suffering and hardship of the people of Burma and come to our defense.

[Correspondent] I said I had no more questions, but I do have another question. Does the DAB remain as united as before?

[Mya] Yes. The DAB remains united, and there is much understanding. Some organizations that already held talks with the SLORC have become disappointed because the SLORC does as it pleases, while some organizations are reestablishing contact with us.

[Correspondent] The fourth anniversary of the general elections in 27 May. What would you like to say in this regard?

[Mya] The people want genuine internal peace and full democratic rights. They absolutely do not want the SLORC. The people's judgment will eventually prevail.



## **Cambodia**

### **Khmer Rouge Radio on Roundtable Meeting**

*BK2605024194 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 25 May 94*

[Station editorial: "The Enemies of the Nation and People Are Vigorously Continuing Activities To Oppose National Reconciliation and Peace in Cambodia"]

[Text] The roundtable meeting to be held in Pyongyang on 27 May constitutes a major event for our nation and people. The Cambodian people, who are victims of the 15 year Vietnamese war of aggression, yearn for national reconciliation and peace so they can live again in peace. As before, however, the enemies of our nation and people do not want us to unite and have peace. They intend further to fan the flames of war in order to massacre the people, which will permit them to have the opportunity to grab the interests of our nation and people at will.

Look, while His Majesty Norodom Sihanouk is striving to convene a roundtable meeting, the communist Vietnamese puppets are actively seeking foreign arms aid—the puppet Sar Kheng's recent visit to the United States is conspicuous evidence, and so on. Moreover, Winston Lord, U.S. assistant secretary of state for East Asian and Pacific affairs, recently disclosed that he was currently holding talks with France, Australia, and others about the possibility of sending armaments for the two-headed government further to attack Democratic Kampuchea.

The above activities and utterances are evidence that the communist Vietnamese and their puppets and alliance never want us, the Cambodians, to unite and to live peacefully. They will continue to inflame war with a view to doing away with our nation and killing our people. Should the Pyongyang roundtable meeting fail, it will be due to the continuing opposition by the communist Vietnamese and their puppets and alliance to the national reconciliation plan of the king.

All in all, the communist Vietnamese and their puppets and alliance can never act unchecked. The trend of peace and national reconciliation against war is becoming more and more zealous with each passing day. This tendency is immensely forceful and absolutely unstoppable. Those opposing national reconciliation and peace by further inflaming war are all traitors of the nation and people. One day, they will, at all costs, be crushed to pieces by the trend of national reconciliation and peace among the nation and people. National reconciliation, peace, independence, and Cambodia's genuine national unity then will be restored.

### **Defense Ministers Visit Malaysia 15-20 May**

*BK2505145894 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 25 May 94*

[Text] A National Defense Ministry delegation of the Kingdom of Cambodia headed by His Excellency [H.E.] General Tie Banh and H.E. Gen. Tea Chamrat, co-ministers of national defense, visited Malaysia from 15 to 20 May.

Upon arrival at Subang International Airport, the delegation was cordially welcomed by Brigadier General Ismail and several other high-ranking Malaysian Defense Ministry officials.

On 16 May the delegation had an audience with H.E. Abdul Razak, Malaysian minister of national defense, and several other military officers. During the audience, H.E. Abdul Razak talked about bilateral relations and noted that Malaysian forces took part in Cambodia's peace process through the Paris peace agreement. He also stated clearly that Cambodia should live in peace among all other Southeast Asian countries. Concerning investment, he said that Malaysian investors are interested in seeing Cambodia achieve economic development.

On that occasion, H.E. Gen. Tie Banh briefed the Malaysian defense minister on the military situation in western Cambodia. He stressed that although the government has to confront the Khmer Rouge, economic rehabilitation and reconstruction efforts are continuing all over the kingdom.

On 17 May the delegation was received by Sri Dr. Mahathir Mohamed, prime minister of Malaysia.

During the meeting, H.E. Gen. Tie Banh informed Mahathir of the political, economic, security, and social situation in Cambodia and Cambodia's rehabilitation and development since the establishment of the legal administration.

The delegation also visited the shipyard at Johore Port in southern Malaysia and the Proton automobile plant in Kuala Lumpur. The delegation also visited the Sapura telephone factory, which produces telephones for local consumers and for export.

On 19 May the delegation visited the FELDA [Federal Land Development Authority] development zone, a vast area of 871,600 hectares, of which 60 percent is planted with oil palm, 22 percent with rubber, and the rest with coffee.

The delegation returned home on 20 May.



### Finance Minister Vows Not To Resign

BK2605104294 Bangkok THE NATION in English  
26 May 94 p A5

[Text] Phnom Penh—Cambodia's Finance Minister Sam Rangsi says he may be sacked but will never resign from his cabinet post.

Rangsi confirmed on Tuesday that he would not quit Cabinet, but was not sure if he would be forced into it.

"I may be dismissed. But that is another problem, anything can happen. The decision to fire me does not depend on me. So I cannot forecast," the minister told THE NATION.

Rangsi, known for his outspoken views and hard work, was responding to a report that he would resign as the finance minister. It is said he is unable to implement economic development policies due to lack of support from other officials who adhere to outdated rules and work methods, and resist change. Reports suggested that the Cambodian cabinet would be reshuffled soon after government leaders complete scheduled peace talks with the Khmer Rouge starting in North Korea tomorrow.

The ministers likely to be affected by the reshuffle are Ministers of Defence Gen. Tie Banh and Gen. Tea Chamrat, Minister of Foreign Affairs Prince Norodom Sirivut and Rangsi, both from the Funcinpec Party.

Prince Sirivut has been close to Rangsi, who is involved in a running dispute with a firm, named as the Thai Bunrung Company, which is run by a Teng Bunma. The company's owner is said to be very close to the First Prime Minister Prince Norodom Ranariddh, leader of the Funcinpec Party.

Rangsi, however, says he has a growing number of supporters for his work. He said he kept telling his colleagues and officials to not only do good when going to a temple, but also to do good deeds at the office, to serve the people and the poor.

"I am very faithful to my direct boss, Prince Ranariddh. And I won't change parties. I can be very efficient in my party so there's no need to find another party or look for another president of the Funcinpec. I would like to help my boss strengthen the party," he said.

"I am satisfied with my performance as a whole. I would like to move faster, but there are many difficulties and constraints, which force me to move slowly. My economic reform has threatened the personal interests of many and they are powerful. Such people do not want to give up their position," he said.

He added that he supports King Norodom Sihanouk's proposal to amend the constitution so that the Khmer Rouge can join the government. The constitution currently stipulates that government posts must be given to elected members of the National Assembly.

Rangsi said he would be happy to have the Khmer Rouge as his colleagues in the Finance Ministry instead of seeing them in the jungle. "I expect positive signs from the roundtable talks scheduled for May 27," he said.

### Official Comments on Government's Pailin Offensive

BK2605090094 Hong Kong AFP in English 0810  
GMT 26 May 94

[Text] PHNOM PENH, May 26 (AFP)—More than 200 Khmer Rouge rebels were killed in fighting in northwest Cambodia as government forces pushed their way down the road from Battambang to the rebel base at Pailin, a government official said Thursday.

Between 200 and 250 guerrillas died in the fighting Wednesday and three government soldiers were killed and another 27 wounded by land mines as they advanced down National Route 10, Battambang deputy governor Serey Kosal told AFP by telephone.

The governor said most of the guerrillas had been found strewn alongside the highway, killed by artillery fire, and that some 50 others appeared to have been executed by bullet shots in the back of the head. He said the 50 dead rebels had been executed by their commander for trying to retreat as government forces advanced to Phum Svay Sar, 10 kilometers (six miles) from Treng, which the government said it captured two days ago. Ammunition and weapons had also been left behind, he added. No independent confirmation was available.

Serey Kosal said that he would go to the highway Thursday and take photographs of the Khmer Rouge dead as evidence.

Treng was the government's frontline prior to an offensive that led to the capture of Pailin in March, one month before it was retaken by the rebels, who surged forward and pushed government forces back to within 15 kilometers (nine miles) of Battambang.

## Laos

### Revised Foreign Investment Law Attracts Investors

BK2605083194 Vientiane VIENTIANE TIMES in English 15-21 Apr 94 p 8

[Unattributed article: "Foreign Investment Law Revised To Further Attract Investors"]

[Text] The government of the Lao People's Democratic Republic has amended its foreign investment law to further convince foreign investors of investment opportunities in the country.

The amended law, which is now called the Foreign Investment Promotion and Management Law, was endorsed by the third ordinary session of the National Assembly (Third Legislature) held last month. This was



seen as a remarkable and positive move by the Lao government in its economic policy which is at a new stage of development.

The amendments to this law were intended to make it suit the current investment climate in Lao PDR [People's Democratic Republic]. It reflects more clearly the renovation policy of the Lao government, and guarantees the interests of both the investor and the government. As this law is more or less related to the labor law, amendments were also made to the labor law during the same session. Improving the labor law ensures greater fairness in relations between employers and employees, both local and foreign. In 1988, the Lao government introduced an open-door policy of multilateral economic ties and cooperation with foreign countries in an effort to gradually strengthen the economy of the country along the lines of a market-oriented economy. To help realise this policy, it promulgated a foreign investment law in the same year which was designed to attract investors to boost the social and economic development of the country. A national level committee, known as the Foreign Investment Management Committee (FIMC) was set up under the Committee for Planning and Cooperation to promote and manage foreign investment.

Over the past years the open-door policy and the foreign investment law have to some extent added to the attraction of Laos in terms of business opportunities as well as for tourists.

Investment statistics obtained from the FIMC show that in the three months from January to March 1994 some 43 new licensed foreign investments coming to a total of U.S. \$116 million were made. The investments cover such sectors as agribusiness, manufacturing, tourism, mining, construction, telecommunication, banking, and service industries. Of the sectors, the service industry takes the lead in terms of investment amount.

The investors are from such countries as Thailand, Australia, Italy, Japan, and China.

To keep foreign investment growing in the country, the Lao government will have to ensure the effective implementation of its newly amended foreign investment law.

### **Rice Shortage in Drought-Stricken Provinces**

*BK2605072994 Vientiane VIENTIANE TIMES in English 6-12 Apr 94 p 6*

[Unattributed article: "Emergency Food Aid Relieve Rice Shortage"]

[Text] Over 400,000 people suffer from rice shortage in the country after severe drought last September devastated crop yields in parts of southern and northern Laos. People who may traditionally have to cope with three month or so annual shortage face the prospect of no rice at all for six to eleven months until the next harvest in October or November.

With no other income source than agriculture, they depend on the ever diminishing resources of their neighbours or relatives and the shrinking number of small animals, rodents, insects and tubers hunted and foraged in the forests. Many farmers have already been forced by hunger to consume the seeds set aside for the 1994 planting. For most families, sale of buffalo—the main source of energy for ploughing—would represent an act of desperation. There have not been widespread livestock sales thus far.

In 1993, the Lao PDR's [People's Democratic Republic] production of rice, the staple food of the country, was 1.25 million tonnes, some 17 percent below the previous year's harvest. The provinces of Savannakhet, Saravane, Sayaboury, and Houa Phan were particularly hard hit. In Savannakhet Province, normally a premier rice producer, ten of thirteen districts produced a deficit. Some districts face, on average, an eleven month shortage and some people have had no reliable source of food since the last harvest.

As the magnitude of the problem became known, the Government of Laos acted swiftly to seek assistance from the international community through the United Nation's World Food Programme (WFP). A joint Food and Agriculture Organisation (FAO)/WFP assessment in February recommended food aid amounting to 43,000 tonnes of polished rice to supply the people of the worst affected districts in the four hardest hit provinces. Those enduring the most severe food shortage would each receive 72 kgs of rice to tide them over the final six months before the 1994 harvest.

Ms. Ameerah Haq-Perera, United Nations Development Programme resident representative, explains that the situation is not comparable to a famine of the proportions experienced in Ethiopia or Somalia: "The effects are not of people starving to death but more of hunger and disease."

The impact of the food shortage on the long-term development plans of the country is a concern: "It is difficult to switch from a subsistence economy when farmers are out foraging for food and their energies cannot be diverted to more productive ventures," says Ms. Haq-Perera.

WFP's temporary office, which was opened in February 1992 to help the Lao government and people cope with the after-effects of the 1991 floods which devastated the rice-bowl provinces of the south, is now entering its third emergency operation. Last year 3,000 tonnes of WFP aid was distributed to drought-stricken northern provinces of Luang Namtha, Houa Phan, Xieng Khouang, and Phong Saly.

In response to this year's emergency appeal, a total of around 19,000 tonnes of rice has so far been pledged by WFP, Canada, Australia, Japan, Indonesia, and the European Union. Non-Governmental Organisations [NGO], including World Concern, Care, and World Vision, are assisting with distributing the rice.



The biggest task now facing those involved in the emergency operation is getting the rice to the villagers before the worst affected communities are cut off by the monsoonal rains. "Many areas will be cut off for months when the rains set in in a few weeks. The NGOs we work with in some areas fear the rains will leave them with stocks they cannot deliver or distribute," says WFP emergency coordinator Steve Keller. Donor assistance is now required for the administration, logistical support, and monitoring.

The 1,000 or so inhabitants of Nasenoi village recently received delivery of 55 tonnes of WFP rice. World Concern efficiently supervised the distribution and district record-keepers took thumb prints as eligible people collected their correct allocation.

However, the long-term solution to this chronic food shortage problem, explains Ms. Haq-Perera, is the Government's agricultural policy to bring more land into cultivation with small scale irrigation schemes and by encouraging crop diversification. This will ensure that the food supply situation is no longer so vulnerable to the vagaries of the weather.

#### **Article Views Prospects for Hydro-Power Development**

*BK2605072794 Vientiane VIENTIANE TIMES in English 15-21 Apr 94 p 9*

[Text] Laos, where mountains, forests and water resources are in abundance, has a unique potential which is not evident in its neighbours for the development of hydro-power on a large scale.

In its policy on industrial development, the Lao government has attached great importance to the expansion of hydro-power plants. With its own input combined with assistance and loans from friendly countries and international financial institutions, the Lao government has in the past years tried to exploit this potential. This has also provided opportunities for investors to participate in various forms, such as joint ventures, build-operate-transfer projects and so on.

One example is the construction of a hydro-power plant at Saset in the southern province of Saravane. The Saset plant came on line a few years ago and has a generation capacity of 45 megawatts, more than enough for domestic consumption in the whole south of the country. The Saset power plant is the second largest in the country, second only to the Nam Ngum Power Supply.

Last month, the state-run electricity company, Electricity du Laos, signed a contract with a French company, SOGREAH, for a survey to be conducted at Nam Leuk. In the same month, the Committee for Planning and Cooperation signed a memorandum of understanding with Thai company MDX Public Co., Ltd. on the development of the Nam Ngum Three Hydro-Power Project. The Nam Leuk water flows into Nam Sang and

Nam Ngum, while the Nam Ngum Three project is located at the junction of Nam Ngum and Nam Ma.

The local electricity company has received a loan for the Nam Leuk project from the Asian Development Bank. Estimated cost of the project is U.S. \$90 million. The project is expected to produce 40 megawatts of power.

As provided in memorandum of agreement for the Nam Ngum Three project, the Thai company will conduct a survey at a cost of U.S. \$1 million. Once completed, the project will be capable of producing 400 megawatts of power. In this venture the Lao side will hold a share of 45 percent with the balance held by the Thai company.

Laos earns 800 million baht (U.S. \$32 million) a year by selling electricity from its Nam Ngum power supply to Thailand. Revenue from the export of electricity represents the second largest source of foreign exchange for the country.

#### **Nam Theun-Hinboun Hydropower Project Examined**

*BK2605080394 Vientiane VIENTIANE TIMES in English 29 Apr-5 May 94 p 10*

[Feature by Soumountha: "Nam Theun-Hinboun Hydro-Power Project Poses No Threat to Environment"]

[Text] "Nam Theun-Hinboun Hydro-Power Project poses no threat to environment." That was a welcome answer given to "VIENTIANE TIMES" reporters by the Project Manager.

In fact, this Hydro-Power project signed on April 20 augers well for the farming villages of the once-dry Nam Hai basin through possible small-scale irrigation systems taken into consideration under the Theun-Hinboun Hydro-Power Project.

Accessible by car, 300 km from Vientiane via Routes Nos. 13 and 8, the project site is located roughly 100 km upstream of the place where Nam Theun meets the Mekong. The location thus lends itself perfectly for the purpose of developing an existing natural resource to earn foreign currency for the country. The Power Station when completed is expected to generate enough energy and income three times higher than that of Nam Ngum Power Station.

The combined technical know-how of the surveyors, designers, and construction engineers has resulted in this ingenious plan. The plan in brief is to construct an intake weir across Nam Theun at a point where a narrow mountain ridge separates the Nam Theun basin from the Nam Hinboun basin which lies at a lower level. The 240 metre difference in elevation will be fully exploited for power generation through a trans-basin diversion in that the water flow of Nam Theun will be diverted by 10 km of waterways into Nam Hai, a tributary of Nam Hinboun, eventually to the Mekong about 30 km upstream of Thakhek. In actual fact, water from Nam Theun will



flow along a tunnel cut through the mountain, then down a 300 metre long inclined steel-lined pressure shaft, along a 650-m long steel-lined pressure tunnel to the power station on the other side of the mountain. The power station has an installed generating capacity of 210 MW (Megawatts). The water will then be discharged into Nam Hai through a 4-km long tailrace canal.

The 230 KV (Kilovolt) transmission line strung directly to the Thai border at Thakhek will be 100-km long. Beside the foreign currency earned, the Theun-Hinboun Power Project envisages power supply to meet future demands in Savannakhet and Thakhek, if the demand is high enough to justify the cost of a sub station.

Theun-Hinboun Power Project is the first attempt for private participation in the power sector in Laos.

This run-of-river hydropower development will be developed, owned and operated by the Theun-Hinboun Power Company Ltd., (THPC). Substantially all the power generated will be sold to the Electricity Generating Authority of Thailand (EGAT).

THPC is the combined efforts of Electricite du Laos (EDL, 55 percent), Nordic Hydropower AB (NH, 25 percent) and MDX Power Company Ltd, (MDX, 20 percent).

THPC is established with a capital of U.S. dollar 110 million. Asian Development Bank provides a U.S. dollar 60 million loan towards EDL's equity contribution. THPC's debt financing will be arranged from a mix of commercial sources and export credits with a 30-years concession period.

Actual construction on site will begin at the end of this year's rainy season, and the Project will be commissioned in the third quarter of 1997. Commercial operation is expected to commence September 1, 1997.

Nordic Hydro Power (NH) will manage implementation of project and be responsible for operation while MDX Public Co. Ltd., Thailand is to handle accounting and financial management services. Local staff will be trained and deployed to the maximum possible extent.

There will be no resettlement or loss of cultural heritage because of Theun-Hinhoun Power Project. On the contrary, it will eliminate water supply constraints in the Nam Hai area during the dry season and increase fish production and improve navigation upstream of the diversion dam. The local community will benefit from improved health and education facilities, employment opportunities and rural electrification.

Theun-Hinboun Power Project will bring about the greening of the surrounding areas in many ways, in addition to earning hard currency for Laos.

## Philippines

### Ramos Comments on Relations With Indonesia

BK2605060894 Quezon City Radio Filipinas in English 0230 GMT 26 May 94

[Text] President Fidel Ramos has said the relations between the Philippines and Indonesia have started to normalize. This, after Indonesia expressed appreciation of the decision of the Philippine Government to ban foreigners from the East Timor Conference.

Meanwhile, the president stressed that the Philippine Government has acted—as it will always act—in accordance with the national interest.

### Seoul, Manila Sign Cooperation Memorandum

SK2405080594 Seoul YONHAP in English 0556 GMT 24 May 94

[Text] Seoul, May 24 (YONHAP)—South Korea and the Philippines exchanged a memorandum of understanding on logistics and defense industry cooperation in Manila Tuesday morning, the Foreign Ministry announced. The document was signed by Vice Defense Minister Chong Chun-ho and his Philippine counterpart Feliciano Gacis, the announcement said.

The document provides for the formation of a joint Korea-Philippine logistics and Defense Industry Committee which will hold an annual meeting alternately in the two countries. The committee will seek cooperation in managing logistics and defense materials and promote personnel and information exchange programs in the two nations' defense industries.

The memorandum of understanding on increased logistics and defense industry cooperation will help expand bilateral relations, the announcement said.

### Rebels Said Dissatisfied With Government Panel

BK2605022394 Manila BUSINESS WORLD in English 23 May 94 pp 1, 7

[By Sandra S. Aguinaldo]

[Text] The Rebolusyonaryong Alyansang Makabansa [Nationalist Revolutionary Alliance] (RAM) expressed dissatisfaction over the performance of the government panel lead by Prof. Alfredo Tadiar, saying the panel is incapable of making important decisions regarding the ongoing talks.

In a briefing with BUSINESS WORLD, cashiered Army Lt. Col. Gregorio Honasan commented the panel cannot make independent moves, particularly on key issues surrounding peace negotiations.

Mr. Honasan said the release of alleged communist Secretary General Wilma Tiamzon demonstrated the power of the government panel tasked to negotiate with the communist National Democratic Front (NDF).



The group has been asking for the release of six RAM members who continue to be detained allegedly due to their participation in the series of coups launched against the Aquino Administration.

Ambassador Howard Dee, government panel chairman tasked to negotiate with the NDF, was said to be one of those who convinced President Ramos to release Ms. Tiamzon to save the peace talks. Mr. Dee told BUSINESS WORLD he is also personally arranging for the release of more or less 350 political prisoners still detained in Muntinlupa and other parts of the country.

On the other hand, Mr. Tadiar said the release of the six soldiers should be left to "judicial discretion" and that the matter should be left to the courts. "Bakit si Wilma Tiamzon pinalaya nila? (Why did they release...) We have been asking for the release of our comrades since 1992," Mr. Honasan said.

Similarly, RAM compared Mr. Tadiar's panel with the government panel negotiating with the Moro National Liberation Front (MNLF). Last March, Ambassador Manuel Yan, panel chairman, allowed MNLF chief Nur Misuari to bring with him 100 heavily armed bodyguards around Mindanao.

During the barangay [village] election period this month, RAM said they were not given permits to carry firearms. One RAM member said Mr. Tadiar told the group he can only make recommendations to the Commission on Elections (Comelec) for them to be exempted. Mr. Tadiar told BUSINESS WORLD his panel will be answerable to the Comelec if the procedure in applying for gun ban exemption permit was not followed.

"They allowed Misuari armed bodyguards but they would not allow us to bring guns to protect ourselves," they said.

As to whether or not the group wants Mr. Tadiar replaced, Mr. Honasan said "it's not for us to decide." If President Ramos thinks Tadiar is good, it is up to him to retain the panel chairman," he stated.

Still, Navy Captain Felix Turingan said they have been consulted on the panel chairman's performance but "we refused to comment."

Other RAM members who attended the press briefing were former Army Lt. Col. Jake Malajacan, Army major Abraham Puruganan and lawyer Rick Blancaflor.

### Thailand

#### USIS Accused of Colluding With Government

BK2605045894 Bangkok THE NATION in English  
26 May 94 pp A1, A4

[Text] Opposition lawmakers on the House committee monitoring MPs' conduct yesterday accused the United States Information Service (USIS) of acting in collusion with the Thai Foreign Ministry to smear the name of

Chat Phatthana MP Mongkhon Chongsutthanamani. According to USIS, the US Embassy in Bangkok on March 18 rejected Mongkhon's application for a US entry visa on the grounds that he was suspected of involvement in drug trafficking by US law enforcement authorities.

"Everybody on the House committee on parliamentary affairs agreed that USIS was apparently in great haste and gave confusing statements regarding the rejection of Mongkhon's visa application," said MP Phairot Suwan-chawi (Chat Phatthana-Nakhon Ratchasima).

Phairot, a member of the House committee, claimed that the US Embassy informed Mongkhon that it could not issue an entry visa to him because he had not submitted all necessary documentation on February 28.

"The USIS statement said the US Embassy rejected his visa application on March 18. How can the embassy reject the visa application on March 18 when Mongkhon did not re-submit his application at that time?" the Chat Phatthana MP said.

There apparently was a misunderstanding on the part of opposition lawmakers as a copy of a notification dated Feb 28 issued by the US Embassy informed Mongkhon that he was ineligible at that time for the entry visa because his application was still "pending necessary administrative processing". Therefore, it appears no irregularities were involved when, after consulting the US law enforcement authorities, the embassy on March 18 rejected Mongkhon's visa application on the grounds of suspected drug trafficking activities. Copies of the US Embassy notification, written in English, were given to reporters yesterday by some members of the House committee.

Phairot said the House committee also decided that the government should devise measures to prevent people from accusing others of serious crimes without supplying evidence to back up the charges. He also said Mongkhon, who testified before the House committee without being summoned, announced that he was willing to travel to the United States if the US Embassy here arranged for his journey.

"Khun Mongkhon said he was prepared to go to the United States even if he would be arrested by US authorities upon arrival," Phairot said.

MP Witthaya Thianthong (Chat Thai-Sa Kaeo), also a member of the House committee, said USIS must have colluded with the Foreign Ministry to damage Mongkhon's reputation.

"USIS must have been given a cue from the Foreign Ministry. The whole thing is politics between the coalition government and the opposition," Witthaya said. He acknowledged that some coalition government MPs on the House committee did not agree with the opposition lawmakers' theory.



The House committee chairman, Charoen Khanthawong (Democrat-Bangkok), said the House committee did not make any decision as to what to do with Mongkhon's case. Charoen said opposition MPs on the panel claimed there were irregularities in the way USIS handled Mongkhon's case but several other members disagreed.

"Some members claimed that USIS was interfering in Thai politics, while others disagreed," the chairman said.

Charoen said the House committee had sought more information regarding Mongkhon's case from the US Embassy but was told that any request must go through the Foreign Ministry.

The House committee has yet to conclude its investigation into the case of former MP Thanong Siriprichaphong (Chat Thai-Nakhon Phanom), who resigned from the Chat Thai Party last Saturday and who subsequently lost his House membership.

Thanong has been charged in the United States with smuggling into that country more than 45 metric tons of marijuana between 1973- 1987. Thanong's assets in the United States—a Beverly Hills house and a Mercedes Benz—have been seized under a US court order.

#### **Democrat MP Accused of Working for KGB**

BK2605085394 Bangkok *THE NATION* in English  
26 May 94 p A2

[From the "Political Monitor" column: "Secret Service Connection"]

[Text] CIA please lend an ear. It has now been revealed how Democrat MP Somkhit Nuanphian knew so much about a proclaimed U.S. blacklist of Thai politicians suspected of involvement in the drug trade.

"He told me he got that information when he worked for the KGB," said Democrat Thanin Chaisamut, referring to the Central Intelligence Agency's rival in the former Soviet empire. Thanin appeared serious.

Asked if Somkhit remained a Soviet spy, Thanin replied, "Not any more. The Soviet Union has crumbled."

Somkhit triggered the Opposition's outburst when he followed up on Foreign Minister Prasong Sunsiri's statement that many Thai politicians were blacklisted due to suspicion that they were involved in narcotics smuggling. During a tumultuous House debate, opposition MPs demanded Somkhit, who was not in the chamber, to reveal names and disclose the source of his information. Thanin said he tried to avoid Somkhit.

"I don't walk with him any longer. There's nothing except that I'm afraid I'll be caught in the cross-fire if somebody tries to silence him," Thanin said.

#### **Agricultural Exchange With U.S. Favored**

BK2505082894 Bangkok *BANGKOK POST* in English  
25 May 94 p 28

[Text] Thailand has put forward a proposal to the United States on exchange of agricultural information, global market forecasts and technological know-how for farm production.

The Secretary-general of the Office of Agricultural Economics, Pitiphong Phungbun na Ayutthaya, said the proposal was raised with the US Department of Agriculture at a recent meeting.

Mr Pitiphong said the US has such an agreement with the European Union, China and Indonesia, and wants a similar one with Thailand because of the implications of the recent conclusion of the General Agreement on Tariffs and Trade.

Thailand is interested in the exchange programme, particularly with regard to the farm products of countries which have exchange agreements with the US. The agreement with the US will give Thailand access to information on farm products of these countries.

Cooperation can begin immediately after negotiations are completed within three months.

US agriculture officials will arrive for discussion with Mr Pitiphong in June after their trips to Indonesia.

On a proposal of the ASEAN Free Trade Area [AFTA] agreement to include non-processed agricultural products in the agreement list, he said the office is in the process of informal discussion as there has been no official request yet for the inclusion. Should there be a formal request, a study must be conducted to gauge its long-term impact on the products, he said.

If non-processed products are included in the AFTA list products which are subsidised will be affected because they will be uncompetitive.

#### **Rangoon Army Offensive Forces 50,000 To Flee**

BK2605051194 Bangkok *THE NATION* in English  
26 May 94 p A4

[Text] Up to 50,000 Burmese have fled to Thailand to escape the current offensive by the Burmese Army against the forces of drug warlord Khun Sa, according to Khachatphai Burutphat, deputy secretary-general of the National Security Council. Khachatphai said, however, the fighting is not as fierce as that by the Burmese government against Karen forces.

"I expect Khun Sa's people escaped to Chiang Mai and Mae Hong Son Provinces. However, the authorities are prepared to deal with the problems that may arise", he said.

Khachatphai also said that Thailand would take care of and assist the refugees on humanitarian grounds. But



they would be sent back to Burma as soon as the situation has improved. He added that the authorities are able to ensure security for people living in the troubled border area.

Asked to comment on whether the U.S. government is to provide assistance for the Burmese government to battle Khun Sa's troops, Khachatphai said the Council had not yet learned if the United States would support the Burmese forces.

Also, Khachatphai said the fighting is aimed at cracking down on the production and trafficking of drugs by Khun Sa.

### **Editor Ends Radio Show as Protest Against Army**

*BK2605085094 Bangkok THE NATION in English  
26 May 94 pp A1, A4*

[Text] Suthichai Yun, editor-in-chief of THE NATION Publishing Group, will halt all his political programs on radio to underscore the "lack of freedom of expression" on the country's radio stations.

The decision came after the Army Territorial Defense Department "requested" the publishing group to delete all political comments from radio FM 96, which was leased to a private company, PK Advertising Co. and sub-contracted to the Nation Publishing Group to produce news and commentary programs.

"Since we can't have the freedom to comment freely on the country's political, military and social affairs, we have decided to pull out all our commentary programs from the radio station," he said, adding that non-political programs will be back on the air today, "to keep our communication channel with our listeners open and to deliver the vital message that this is the best we have to offer the public under the circumstances".

Suthichai said he had decided to stop all his radio programs—including his morning and evening political talk shows on FM 97 owned by the government-run Public Relations Department—"to protest against this government's failure to live up to its promise to respect the people's right to information through radio". He said radio commentators in Thailand still get "thinly-veiled threats" for their frank, critical remarks against government agencies and the military.

"Radio producers and commentators are often threatened with termination of their contracts if they report or comment frankly on current affairs. Since government agencies still own and control all the 400-odd radio stations, they still consider the frequencies their own mouthpieces. Nobody is allowed to criticize the government agencies which own those frequencies," he said.

"This government has not done anything to return radio stations to the people. I feel it is time to show how serious the problem is. I will not resume my radio

commentaries until such time that we have the freedom to express our opinions frankly, freely and professionally," Suthichai said.

## **Vietnam**

### **Communique Issued on U.S. Liaison Office**

*BK2605120094 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 26 May 94*

["Text" of Foreign Ministry communique—place and date of issue not given]

[Text] On 20-21 May 1994, U.S. Assistant Secretary of State Winston Lord on behalf of the U.S. Government and Deputy Foreign Minister Le Mai on behalf of the SRV Government exchanged letters of agreement on the establishment of liaison offices in the capitals of the two countries.

According to the agreement, the initial form of official representation of Vietnam in the United States and of the United States in Vietnam will be liaison offices, and the heads of these offices will be called head of the liaison office. The two offices will work within the framework of the 1963 Vienna Convention on Consular Relations, to which both sides are signatories.

The opening of liaison offices in the capitals of the two countries marks an important developmental step on the path to the normalization of relations between Vietnam and the United States, thus creating favorable conditions for the two governments to continue to resolve issues of common concern and meeting the interests of the two peoples and the interests of peace, stability, and development in the region.

### **President Le Duc Anh Receives Lao Army Delegation**

*BK2505153194 Hanoi VNA in English 1420 GMT  
25 May 94*

[Text] Hanoi VNA May 25—President Le Duc Anh received here today a delegation of the General Political Department of the Lao People's Army (LPA) led by Sr. Lt. Gen Siphon Phalikhan, member of the Lao People's Revolutionary Party (LPRP) Central Committee, vice minister of national defence, and chairman of the General Political Department of the LPA, now on a visit to Vietnam.

Among those present at the reception was Sr. Lt. Gen Le Kha Phieu, Politburo member and secretary of the Communist Party of Vietnam (CPV) Central Committee and chairman of the General Political Department of the Vietnam People's Army (VPA).

During the reception, General Phalikhan expressed his pleasure at the VPA's constant growth, thus contributing to the achievements recorded by the Vietnamese people in the current renovation process. This, he said, is the



source of encouragement and precious experience for the Lao people in general and the LPA in particular in the reconstruction and defence of their country.

President Le Duc Anh, for his part, expressed his desire to strengthen the exchange of activities between the two countries in various fields, thus contributing to further consolidating and developing the friendship and special cooperation between the two peoples.

### **Delegation Attends Sandinist Congress in Nicaragua**

*BK2605070094 Hanoi VNA in English 0617 GMT  
26 May 94*

[Text] Hanoi VNA May 26—A delegation of the Communist Party of Vietnam led by Nguyen Van Hon, member of the party Central Committee, attended the extraordinary congress of the Sandinist National Liberation Front (FSLN) held in Managua from May 20-23.

The Vietnamese delegation conveyed a message of greetings from the Communist Party of Vietnam to the congress.

While receiving the Vietnamese delegation FSLN Secretary General Daniel Ortega said that the presence of the Vietnamese delegation at the FSLN Congress was a great encouragement. Mr. Nguyen Van Hon conveyed best regards from General Secretary Do Muoi and other Vietnamese party leaders to General Secretary Ortega and other FSLN leaders. Host and guest reiterated their desire to further promote the friendship and cooperation between the two peoples and countries.

The Vietnamese delegation paid a courtesy visit to Nicaraguan Vice President Virgilio Godoy and informed him of the renovation process, and the open-door policies of the Vietnamese party and state. Vice President Godoy hailed the achievements recorded by the Vietnamese people, and wished for the further development of the Vietnam-Nicaragua relations, especially in economic cooperation and trade on the basis of equality, mutual benefit and respect.

### **Central Committee Secretariat Holds Meeting**

*BK2505143694 Hanoi Voice of Vietnam Network  
in Vietnamese 2300 GMT 23 May 94*

[Text] Dear friends: As previously reported, the party Central Committee Secretariat held a conference in Hanoi from 21-23 May to review the implementation over the past two years of the party Central Committee's third plenum resolution on party renovation and rectification as well as some urgent issues in our work relating to female cadres.

Comrade Le Phuoc Tho, member of the Political Bureau, secretary of the party Central Committee, and head of the party Central Committee's Organization Department, chaired the conference, which was attended by nearly 500 delegates from 53 provinces and cities and

various ministries and sectors. Comrade General Secretary Do Muoi attended and addressed the conference.

We invite our friends to listen to this report by a Radio Voice of Vietnam correspondent outlining the main points of the conference:

[Begin recording] Dear friends: It has been two years since the party Central Committee's third plenum resolution and nearly 10 years since the party Central Committee Secretariat's directive on a number of urgent matters relating to female cadres.

Le Huy Ngo, deputy head of the party Central Committee's Organization Department, presented a report reviewing the party's renovation and rectification over the past two years. The report mentioned the situation regarding the deployment and implementation of this resolution and pointed out that in general the party's renovation and rectification efforts have correctly met the everyone's aspirations because attention has been given by the entire party, people, and Army.

Party activities in various establishments have attracted participation by 80-90 percent of party members. These activities reflect unanimity in policies and great effort in activities. They have produced a number of initial yet important results in certain respects and have won the sympathy and support of the people. These results are:

1. Ideologically, we have been able to further consolidate our unity of mind and improve the confidence of a large number of party cadres and members and people regarding the party's renovation stance. On this basis, we have improved the sense of responsibility of party committee echelons and every party member toward the implementation of the party's renovation line.

2. As for organizational rectification, we have paid attention to: Complying with various principles and stipulations in the party statutes, especially the principles on democratic centralism, the system of collective leadership among party committee echelons, and broadening democratic principles; overcoming disunity; and improving criticism and self-criticism activities. Over 50 percent of the grassroots party organizations have already been able to establish correct working procedures. In certain provinces, 100 percent of grassroots party organizations have been able to establish new working procedures. Various sectors and localities have kept in mind on the need to focus on the grass roots in organizational rectification. They have consolidated poorly performing grassroots party organizations and have satisfactorily resolved various flashpoints, such as such as those in Hai Hung, Hanoi, Yen Bai, and Tay Ninh. According to reports from 28 provinces and cities and from the party Central Committee Military Commission, the average number of clean and steadfast party organizations has increased 7.8 percent, while the average number of poorly performing party organizations has dropped 2.5 percent. The number of poorly performing party organizations is still high in the mountain regions, however.



3. Regarding work related to party members, analysis shows that the number of qualified party members making good efforts is usually 30-40 percent. The number of poor party members accounts for only 5-10 percent, while the number of disqualified party members constitutes only 1-5 percent of the total. Worthy of note in the work relating to party members is that we have not just analyzed the qualities of party members; we have also dealt with poor performers. Party organizations have developed programs and objectives for training party members so they can strive to surge forward and perform their assigned missions. As a result, some localities have assigned 60-70 percent of their party members with specific duties.

In 1993 alone, the party as a whole took disciplinary action against 48,499 party members, or 2.3 percent of the total number of party members in the country. Many of these party members held high positions. While resolutely removing disqualified members from the party, party organizations have also stepped up party development. That is why the number of new party members has increased annually. In 1993, the number of new party members increased 30 percent over 1992, with youths and intellectuals making up a large part. This shows that along with the results obtained from the renovation process, the party has really been able to attract the younger generation and the intelligentsia.

4. Regarding the cadre-related and mass mobilization tasks, our initial achievements have been encouraging, thus satisfying the people's desire, promoting the unique characteristics of regions inhabited by ethnic minorities, and strengthening female cadres' activities.

In commending female cadres, we should consider their political background and ethics, their efforts in observing party discipline, their relations with the masses, and their capability in carrying out tasks to meet the requirements of the renovation process.

5. There must be further changes in the party leadership in order to implement the main task of developing the socioeconomic situation to strengthen the market economy.

It is necessary to mention here that we have attached importance to the countryside and taken grass-roots party organizations as a basis for implementing various party resolutions and official lines and policies.

The report of Comrade Truong My Hoa, secretary of the Central Committee, stressed efforts to renovate and revamp the party while presenting a general assessment on the causes of the shortcomings experienced by female cadres in carrying out party tasks and activities. This was due to less attention paid by leaders of party committees to planning, training, and helping female cadres to develop.

The conference discussed and made concrete proposals aimed at strengthening the renovation and rectification of the party, while enhancing the role of female cadres to

meet requirements of the new situation, especially after the midterm national party conference.

Regarding the efforts to continue revamping and renovating the party, the conference established the following essential tasks to be carried out during the next two years:

1. Efforts to make grass-roots party organizations a basis for building pure and strong party units and efforts to implement the socioeconomic development program from the central to grass-roots levels. Only by satisfactorily developing the party role at the grass-roots level, will we be able to effectively implement party and state resolutions, lines, and policies.

2. Regarding cadre-related tasks, we must strive to create favorable conditions for each party member and organization to take the lead in all tasks so as to encourage people to participate in various activities. For female cadres, local leaders must formulate better plans to recruit and train them to increase their number and enhance their capabilities. The quality of cadres rests with their background knowledge, ethics, and capability in fulfilling assigned tasks. Various party organizations may apply the transfer system to train and foster responsible cadres and party members to enhance their skills and capabilities.

3. Party members must pay attention to the mass mobilization work, while participating in tasks to renovate the party leadership and promote the market economy.

The conference also discussed and called for efforts to concretize and resolve various issues. These include issues on allowing party members to engage in economic activities, restoring party affairs committees of various organizations, and improving party organizations at state and private enterprises. Efforts must also be made to perfect the echelons of party committees and strengthen party building in almost 3,800 hamlets where no party members have been admitted.

Dear friends, in his address to the conference, General Secretary Do Muoi stressed the significant role of our party line and policy on renovating and revamping the party. He said that the people have placed firm confidence in our party and its renovation policy. As a result, during the past several years we have continued to overcome numerous difficulties and scored encouraging achievements. We still face numerous acute ordeals, however, and we must strive to continue to renovate and revamp the party.

The comrade general secretary stressed: This is a major and difficult task. To build a pure, firm, and strong party worthy of the people's love and trust, we must firmly maintain and strengthen the proletarian characteristics while eliminating all forms and concepts of coercion and oppression. Our fundamental party ideology rests with Marxism-Leninism and Ho Chi Minh thought. Many party members during the past several years have taken the lead and set a good example in implementing the



renovation process. Given the current requirements, however, we must strive to renovate and revamp the party more vigorously while effectively carrying out concrete tasks set by the midterm national party conference for the next two years.

Comrade Do Muoi also analyzed the necessity to broaden democracy within the party and the relations between democracy and centralized leadership. He said that efforts must be made to enhance the intelligence of each party committee echelon to score achievements in the socioeconomic development program. We must pay special attention to strengthening the party building task at the grass-roots level, while maintaining close relations with the people and motivating them to participate in various revolutionary movements. This is the most basic task of our party and state, through which we will score concrete achievements in the socioeconomic development program and foil the peaceful evolution schemes of the hostile forces. [end recording]

#### **Reportage on Opening of National Assembly**

##### **Deputies Prepare for Opening Session**

*BK2505155694 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 May 94*

[Text] Tomorrow, 26 May, the fifth session of the Ninth National Assembly will be solemnly opened at the Ba Dinh Conference Hall in Hanoi. Before coming to Hanoi for the session, the National Assembly deputies and provincial deputy groups held a meeting with voters nationwide to solicit people's opinions and suggestions on issues that are important and urgent for the development of the country and well-being of the people, including a number of draft laws that the National Assembly will discuss in this session.

The National Assembly Standing Committee and other organs of the National Assembly have coordinated closely with the government and other relevant agencies to carry out all preparations to enhance efficiency of the session.

On the morning of 25 May, deputy groups met to discuss the agenda of the session. In the afternoon, National Assembly deputies held a preliminary meeting in the conference hall to approve the working agenda of the session.

##### **Fifth Session Opens 26 May**

*BK2605054094 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 26 May 94*

[Text] The Ninth National Assembly's Fifth session was solemnly opened this morning, 26 May, at the Ba Dinh Conference Hall in Hanoi. Prior to the opening session, National Assembly deputies paid a floral tribute to President Ho Chi Minh at his mausoleum.

Attending the opening ceremony were comrades Do Muoi, Le Duc Anh, Vo Van Kiet; Pham Van Dong and

Vo Chi Cong, advisers to the party Central Committee; and many revolutionary veterans of our party and state. Also present were members of the diplomatic corps in Hanoi.

National Assembly Chairman Nong Duc Manh delivered the opening speech. Then, Deputy Prime Minister Phan Van Khai, on behalf of the government and the Prime Minister, presented the government report on the implementation of the National Assembly's resolutions during the first half of this year, on tasks for 1994, and lines and measures to be carried out to strengthen the work of various domains and to improve the socioeconomic situation during the second half of 1994.

After the opening ceremony, the National Assembly continued its work at the conference hall to hear the following reports:

- Comrade Tran Dinh Hoan, minister of Labor, War Invalids and Social Welfare, delivered a report on the Labor Code;
- Comrade Bui Ngoc Thanh, deputy chairman of the National Assembly Public Health and Social Welfare Committee, delivered an investigative report on the Labor Code;
- Comrade Ho Te, minister of Finance, delivered a report on the draft law on tax levied on the transfer of rights on land use; and,
- Tran Van Nhan, deputy chairman of the National Assembly Economic and Budget Committee, delivered an investigative report on the draft law on tax levied on the transfer of rights on land use.

The National Assembly will continue its work at the conference hall this afternoon.

##### **Quang Tri Faces 'Acute Hunger' Situation**

*BK2605041294 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 25 May 94*

[Text] A government delegation comprising representatives from the Ministry of Finance; the Ministry of Agriculture and Food Industry; the Ministry of Labor, War Invalids and Social Welfare; and the Government Office paid a working visit to Quang Tri Province on 23-24 May to inspect the crop failure there and to discuss the hunger recently faced by the province.

The province is facing an acute hunger situation due to the failure of two consecutive crops. About 16 percent of its population is experiencing serious hunger. Among them, 34,000 are ethnic minorities and 44,000 are people dependent on social welfare assistance in the coastal area. More than 70 percent of families in 11 of 44 villages inhabited by ethnic people face severe hunger.

To resolve this situation, Quang Tri Province has allotted 1 billion dong from its reserve budget to buy seeds for distribution to the peasants to help them quickly engage in planting the summer-fall rice crop. The province also is striving to improve the irrigation system



and encouraging the people to plant more subsidiary food crops to relieve the hunger situation.

Quang Tri Province requested that the government delegation consider an exemption of its agricultural tax and the postponement of its debt payment to the state bank during the winter-spring and summer-fall rice crops. It has also asked the government to provide help to relieve the hunger situation while distributing more seeds to the peasants to help them quickly engage in the planting of summer-fall and winter-spring rice crops.

## TAP CHI CONG SAN

### \* TAP CHI CONG SAN for February 1994

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#### Editorial: Advance the Cause of Renovation to Even Greater Success

943E0010B Hanoi TAP CHI CONG SAN in Vietnamese Feb 94 pp 3-5

[Text] A major piece of good news has reached our entire party and people while we are preparing to celebrate the party's anniversary and the lunar New Year. The Mid-term National Party Conference of Delegates (held from 20 to 25 January 1994 in Hanoi) has achieved fine success. With 647 delegates from 64 party organizations directly subordinate to the central echelon in attendance and with the participation of the three comrade advisers to the party Central Committee, the conference discussed and made decisions on many important issues. The conference appraised the implementation of the seventh party congress Resolution in the first half-term, reviewed the renovation process since the sixth party congress, further clarified a number of important issues regarding lines and viewpoints in the process of advancing to socialism in our country, set forth major policies and solutions aimed at stepping up the implementation of the seventh party congress Resolution and continuing to advance the cause of renovation to even greater success. The conference also elected 20 additional members to the party Central Committee.



This is the first time that our party held a midterm conference of delegates in accordance with the new Party Statutes, showing a new work style in keeping with the democratic spirit. It can be said that holding a midterm conference is a mechanism designed to guarantee democratic activities, develop dynamism, and combat sluggishness within the party.

The conference observed that, since the seventh party congress, the world situation had undergone very rapid and complex developments, and that once again our people's cause of national defense and socialist construction had to experience extremely severe—and at times dangerous—trials. But thanks to the party's correct leadership, the state's active management, and the entire people's all-out efforts, our country has overcome all difficulties and trials. To date, although there still remain numerous difficulties, shortcomings, and problems, we have overcome a very important stage of the socioeconomic crisis, have firmly maintained political stability, have consolidated national defense and security, have significantly broadened foreign relations, and have created the necessary premises for **gradually shifting our country to a new period of development**, the period of taking industrialization and national modernization one step forward.

These achievements prove that our party's renovation line is correct and our steps are appropriate. Our party and state have accumulated substantial experience in leading and guiding the building of socialism in our country. A profound lesson of experience for us is: We must **firmly maintain the socialist orientation** in the renovation process, must combine steadfast adherence to the revolutionary principles and strategies with tactical flexibility, and must promptly grasp the new. We must carry out renovation in a comprehensive and uniform manner, but there must be **appropriate steps, forms, and methods**. We must **always firmly maintain the party's leadership and the state's management** in the process of developing the multisectorial commodity economy and implementing socialist democracy; we must **promptly detect and correctly resolve new problems**, pay attention to reviewing practice, and ceaselessly refine the theory of socialist construction in our country.

To consolidate the achievements already recorded and gradually shift the country to a new period of development, the entire party and people should clearly recognize the situation and perceive all the achievements and difficulties, opportunities, and challenges. At present a major challenge is that the national economy is still very weak; moreover, it has to move forward in an environment of severe competition, therefore, it runs the risk of falling further behind neighboring countries, which in turn may lead to bad consequences for employment and the people's living standards, for the people's confidence in and support of the regime, and for our national defense and security capability. Meanwhile, hostile forces are still doing their utmost to carry out "peaceful evolution" to oppose and sabotage our people's revolutionary cause. Our party and state still have weak points

and are not yet capable of fully meeting the requirements of the revolution; if they do not pay attention to overcoming deviations in guiding the implementation of their political program and line, they run the risk of deviating from the socialist direction. Corruption and bureaucratism remain very serious.

However, we have reason to believe that, with their indomitable tradition, our people, under the seasoned, experienced leadership of our party, will certainly uphold their self-reliant spirit, intelligence, and creativity; will surmount all trials; and will make the most of all opportunities to create historic turning points in national development.

Our country's important direction of development for the coming years, as clearly pointed out by the conference of delegates, focuses on the following vital domains:

—**Speed up the development of the economic structure along the line of national industrialization and modernization.** This is aimed at creating many more jobs, accelerating the pace of growth, increasing labor productivity, enhancing socioeconomic efficiency, and improving the people's material and cultural life, thereby strengthening political stability; defending national independence, sovereignty, and territorial integrity; and firmly maintaining the socialist orientation of development. This is really our country's strategic task of primary importance in the economic field. Today, we understand that industrialization does not mean only a simple increase in the pace and ratio of industrial production, but also a process of structural development linked with technological innovation aimed at laying the groundwork for a steady, highly efficient growth of the entire national economy. The party and state will carefully weigh and calculate the orientation, scale, and steps to ensure their compatibility with the needs and actual situation of the country.

—**Consistently implement the policy of multisectorial economy, create a moving force and environment even more conducive to a rapid and highly efficient development of various sectors and forms of business.** Build and consolidate state-operated businesses in the key branches and areas so that they may assume the leading role and serve as the activists in guiding and helping other economic sectors develop in the right direction. Basically renovate the organization and management mechanism of state-operated businesses, implement various forms of corporatization, and profit sharing...in conformity with the nature and areas of production and business to attract more sources of capital, to create a moving force, to check negativism, and to prod state-operated businesses into operating for efficiently.

The cooperative, individual, small-proprietor, and private capitalist economic sectors and joint ventures with foreign countries should continue to be freed from illegal interdictions and prohibitions and from troublesome red



tape so that they may develop even more strongly. On the other hand, the state should adopt measures to intensify inventory, control, guidance, and regulation to check and overcome the state of unlawful business operations, smuggling, tax evasion...which may lead to deviation from the party and state line.

—**Continue to renovate the management mechanism and to uniformly build the state-managed, socialist-oriented market mechanism.** State management and regulation must encompass the entire economy and all economic sectors, not the state sector only. This must be reflected first of all in maintaining political stability and ensuring a peaceful environment for economic activities; in building the legal system and creating sufficient legal frameworks for economic operations; in developing strategies, projects, plans, long-term programs, and major equilibriums to orient socio-economic development; in applying essential mechanisms and policies, especially in the fields of finance, pricing, information service, technological research and application... to guide and support the progress of economic activities in the right direction; in implementing an income regulation and distribution policy to ensure social justice; and in managing national property and resources and protecting and improving the ecological environment.

—**Devote oneself to cultural and social problems** in order to care for, foster, and bring into play the human factor as both the moving force and the objective of the building of the new society. Pay special attention to the issues of employment, social justice, heightening the people's intellectual standard, making society healthy, and protecting and developing national cultural characteristics. Carry out the distribution of income according to labor as the main policy, treat talents fittingly; and at the same time, expand social welfare, take good care of those who have rendered services to the country, wipe out hunger and reduce poverty, and aid poor people and poor areas.

Resolutely and absolutely struggle against corruption and social evils in the entire administrative apparatus at all levels and in all sectors by means of a system of uniform measures; and combine immediate settlement and solutions with the prevention and radical resolution of these problems at their roots.

—**Ensure national defense and security and broaden foreign relations.** Uphold vigilance, actively consolidate the political bases and movements for national security protection, build the people's security disposition and link it with the all-people national defense disposition. Strengthen the state management of public order and combat crime. Enhance the quality of the national defense and security forces' operations.

Continue to implement the foreign policy of independence, sovereignty, diversification, and multilateralization to create favorable conditions for the building of

socialism and for national defense and, at the same time, to make positive contributions to the world people's common struggle for peace, national independence, democracy, and social progress.

—**Renovate the political system and enhance the party's leadership capability and fighting strength.** Build and gradually perfect the rule-of-law state that is really of the people, by the people, and for the people; and manage all aspects of society by law and according to law. Adopt a mechanism to protect human rights and the basic rights of citizens as stated in the Constitution. Establish social order and discipline, develop democracy in conjunction with struggling against manifestations of anarchy, the abuse of democracy to cause trouble and hurt public interest, and resolutely punish all sabotage and reactionary activities.

Broadly implement the policy of great national unity, rally all patriotic Vietnamese at home and abroad, and strive for a peaceful, unified, and independent Vietnam, for a prosperous people and a strong country, and for a just and civilized society. The Vietnam Fatherland Front and various political and social mass organizations should gear their activities toward these objectives.

Renovating and reorganizing the party to make its leadership quality and fighting strength equal to its tasks is a key issue ensuring that the renovation undertaking proceeds in the right direction and scores even greater achievements. It is necessary to continue implementing the Resolution of the Third Party Central Committee Plenum on Party Building. Pay special attention to consolidating ideological unity within the party and seriously implementing the principles guiding party organization and activities. Inculcate in cadres and party members the will to persist in the path to socialism, and creatively apply Marxism-Leninism and Ho Chi Minh thought; criticize and rectify deviationist viewpoints and ambiguous perceptions and overcome manifestations of opportunism, rightist deviationism, dogmatism, and conservatism. Radically renovate cadre work—especially the concepts and methods of evaluating, selecting, recruiting, and assigning cadres—along the line of true democracy and putting talents in important positions. At the same time, step up the reorganization of the apparatus, renovate the mode of leadership, and increase the fighting strength of the contingent of party members and grass-roots party organizations.

The decisions made by the national conference of delegates are the concretization, supplementation, and development of the seventh party congress Resolution. These decisions, which represent the crystallization of the entire party's intellect and the summing up and screening of realities, also contain the suggestions made by the people. Together with the other resolutions of the party Central Committee, they form the basis of our entire party's ideology, perception, and action; at the same time, they are the orientation of our country's



advance. To enable the conference Resolution to penetrate life and be translated into reality, all party committee echelons and all cadres and party members should seriously and profoundly study and fully understand it in order to achieve the unity of perception, the unity of views, and the unity of action. All cadres and party members must talk and act in accordance with the party's resolutions. The state should promptly institutionalize the party's decisions, turning them into mechanisms, policies, and programs of action for the entire people to implement. On the occasion of the forthcoming midterm party conferences of delegates at various levels (from districts and precincts up), the party committee echelons should creatively apply the Resolution of the national party conference and various state policies and plans in order to set forth positions and solutions appropriate for their local situations, paying special attention to the key and urgent issues, and focusing guidance on implementing these positions and solutions in a resolute and efficient manner.

We are convinced that, with our entire party and people displaying singlemindedness, staying united, upholding their independent and self-reliant spirit, economically building the country, and striving to satisfactorily fulfilling the tasks set forth by the party conference of delegates, we will certainly be able to overcome all difficulties and trials and to continue advancing the cause of renovation to even greater success.

**Comrade Dao Duy Tung Meets With and  
Cordially Addresses the Conference of TAP CHI  
CONG SAN Contributors**

*943E0010C Hanoi TAP CHI CONG SAN in  
Vietnamese Feb 94 pp 27-29*

[Article by P.V.]

[Text] In Hanoi, on the morning of 11 January 1994, the editorial staff of TAP CHI CONG SAN held a get-together with contributors (in the northern region). In attendance were Comrade Dao Duy Tung, member of the Political Bureau and standing member of the Secretariat of the Party Central Committee; Comrade Nguyen Duc Binh, member of the Political Bureau and secretary of the party Central Committee. Also on hand were comrade members of the party Central Committee: Ha Dang, director of the Ideology and Culture Department; Nguyen Dinh Huong, director of the Internal Political Security Department; Dang Xuan Ky, director of the Institute for Research on Marxism-Leninism and Ho Chi Minh Thought; Nguyen Duy Quy, director of the National Center of Social Sciences and Humanities; Le Xuan Tung, deputy secretary of the Hanoi Municipal Party Committee; and many comrade leaders of other departments, ministries, branches, theoretical research organs, newspapers, and magazines....

Comrade Nguyen Phu Trong, TAP CHI CONG SAN editor in chief, reported on the work of the journal in 1993 and its editorial direction in 1994. He stressed: In

1993, TAP CHI CONG SAN made significant progress in the editorial, research, public relations, printing, and distribution areas. Thanks to its attention to research, its linking editorial work with research, and its success in gathering large numbers of contributors, the journal was able to improve the quality of its copy and enhance its theoretical, recapitulative, and militant character. In particular, the journal paid attention to maintaining close contact with life and with burning theoretical and practical issues and propagandized various resolutions of the party Central Committee, the Political Bureau, and the Secretariat, and various major positions and policies of the party and state in a timely, concentrated, and systematic manner. It struggled in defense of Marxism-Leninism and Ho Chi Minh thought and in defense of the party's lines and viewpoints, especially in the fight against "peaceful evolution," in the human rights issue, and in the culture, literature and arts, and publication issues. It criticized deviationist perceptions and erroneous viewpoints.

The limitations and weaknesses of TAP CHI CONG SAN are: the theoretical quality and scientific content of a number of articles are still poor; some articles still have the look of a specialized report or overemphasize local situations; the general character of its reviews of practice is not yet high enough and the style of writing is obsolete; and some articles are not convincing.

Concerning the editorial direction for 1994, the comrade editor in chief announced that the journal will deal more deeply with various theoretical issues of Marxism-Leninism and Ho Chi Minh thought and of socialism and the path to socialism in our country. It will attach special importance to reviews of practice and scientific studies and to articles aimed at combating erroneous viewpoints and rectifying erroneous perceptions.

In their suggestions, a number of contributors expressed their agreement with and approval of the editorial staff's report and welcomed and applauded the efforts, innovations, and progress of the journal. At the same time, they suggested additional measures aimed at continuing to improve the journal and to improve its quality. A number of comrades stressed that the switch to the market mechanism is both an objective demand and a move that has a direct impact on theoretical research work and on the press and publishing activities. Against this background, TAP CHI CONG SAN has stood firm in its position, has correctly performed its functions, has strictly adhered to its guiding principles, and has satisfactorily carried out his task of determining the ideological orientation for all society. At the same time, it has striven to stay in contact with daily life and to touch upon not a few prominent, thorny issues. The journal has overcome the challenge and has recorded remarkable achievements. Its rich content and diversified, lively form have been reflected in all domains. The economic issue, a key, burning problem of society, has been satisfactorily dealt with. With regard to a number of difficult questions such as nationalities, religion, culture, literature and arts, the journal has also carried many articles



containing correct viewpoints and written in an adequate style that are "acceptable" to society and the reader.... TAP CHI CONG SAN has increased its circulation of more than 38,000 copies (early in the year) to more than 42,000 copies (at year's end) and has successfully expanded its network of contributors and readership (particularly in the southern region). This is a fact worth rejoicing over.

A number of opinions suggested that TAP CHI CONG SAN should maintain the forms of exchange of views, informal talk, and seminar, especially concerning major, difficult issues, and should bring up different opinions and still controversial views to provide information and data so that the party can study them and plan policies. It can coordinate with various departments, sectors, or localities to organize seminars, thereby bringing theory into contact with vibrant life and, at the same time, enriching theory with the realities of life.

With a friendly and serious work style, TAP CHI CONG SAN was, is, and will be the rallying point of scientists, theoreticians, and activists, and will become an important bridge between science and life, between scientists and the public at large. The journal's appeal lies primarily in the quality of its copy. In the past, readers might come to TAP CHI CONG SAN simply because they needed or had to understand the party's policies and lines. Today, in the information age, readers come to the journal with much more diversified, variegated needs and aspirations. In particular, they want to find correct answers for and solutions to the bustling, complex life of today.

Many contributors expressed their belief that, as a theoretical and political organs of the party Central Committee and with its substantial experience and its strong contingent of contributors, TAP CHI CONG SAN will certainly continue to advance to satisfactorily fulfill the tasks entrusted to it, thereby living up to its readers' confidence.

After listening to the aforementioned opinions, Comrade Dao Duy Tung made a statement. With his familiar composed, friendly manner and his simple, incisive way of expression, he said: "A former cadre of TAP CHI CONG SAN who had worked for it for 17 years, from 1965 to 1982 [Footnote: Comrade Dao Duy Tung was editor in chief of TAP CHI CONG SAN from 1965 to 1982—(P.V.)], today I am very happy to see the brothers and sisters who work at the journal, and to see the contributors, some of whom have contributed since the years I still worked at the journal."

Commending the progress made by TAP CHI CONG SAN last year in the content and quality of its copy, in the intellectual content of the journal, in the renovation of its way of thinking, in the scope of the issues dealt with, and in the educational standard of its writers, Comrade Dao Duy Tung clearly pointed out: TAP CHI CONG SAN has paid attention to linking theory with life

and has consciously explained and answered the problems posed by life. Although the quality of its answers is still debatable, the journal has made efforts in this respect, and this is the right direction to follow. The comrade stressed: "Obviously, TAP CHI CONG SAN has made progress in all its content, its form, and its contingent of contributors."

Pointing to the weak aspects of the journal, Comrade Dao Duy Tung made suggestions concerning some issues: In its capacity as the theoretical and political organ of the party Central Committee, how many articles of good quality and significant scope has TAP CHI CONG SAN produced by itself, articles that are considered interesting by many people? Has the journal delved deeply into the reality of renovation—from the micro to the macro level—in order to present concrete models in various domains (especially the economic domain) of the path of socialist construction in our country? Has it carried highly scientific and convincing articles to contribute to heightening the confidence of cadres and party members in the path they have chosen, and to overcome the vacillation among a component of cadres and party members in the face of the collapse of the socialist system in the Soviet Union and East European countries? How many articles has it featured that have the effect of guiding various echelons and sectors in correctly implementing the party's common line, and of promptly rectifying the manifestations of deviationism? Everyday, every hour, the opposition forces, using many means, are constantly striking at the ideological base of the party and at the party itself. Have the articles on this issue launched timely and effective counterattacks?

With regard to the editorial orientation and tasks of TAP CHI CONG SAN in the coming years, Comrade Dao Duy Tung clearly pointed out:

1. The journal should assert, clarify, and help develop Marxism-Leninism and Ho Chi Minh thought. This is an important and pressing task. At present, the *Council for the Guidance of the Compilation of the Textbooks of the Scientific Studies of Marxism-Leninism and Ho Chi Minh Thought* is holding discussions to clarify a number of major theoretical issues such as: the role of Marxism-Leninism and Ho Chi Minh thought; observations on the character and content of our epoch; the theory of socioeconomic forms; the theory of surplus value; the theory of the historical position of the working class; and many other concrete issues.

The general issue is that we must be able to determine what universal principles of Marxism-Leninism as a revolutionary and scientific doctrine were correct in the past and are still correct at present; what theses conformed to historical conditions in the past but are no longer appropriate now; and what theses were already inappropriate even during the lifetime of Marx and Lenin, including the ones that had been criticized by Marx and Lenin themselves. We must consider what



contributions our party has made to the development of Marxism-Leninism in the process of leading the revolution.

This is an opportunity for TAP CHI CONG SAN to make important contributions to and to work together with the council to clarify theoretical issues. The journal should establish close relations with the council to secure more favorable conditions for its editorial work.

2. TAP CHI CONG SAN should actively participate in the research on and compilation of articles aimed at providing a scientific basis for the decisions of the Seventh and Eighth Party Central Committee Plenums and the eighth party congress. The Seventh Party Central Committee Plenum will discuss the industrialization issue, science and technology, and development of the working class. The Eighth Party Central Committee Plenum will discuss the rule-of-law state issue, social sciences and the humanities, and some theoretical issues. The journal should closely monitor the requirements and themes being prepared for submission to these plenums in order to formulate appropriate editorial programs.

3. The journal should closely follow the implementation of the seventh party congress Resolution, the Resolution of the party conference of delegates, and the various party Central Committee resolutions. It should grasp important socioeconomic issues in order to write articles to affirm what is proceeding in the right direction and what is deviating from it.

With regard to the economy, the journal should carry articles on economic structure, economic sectors, the market mechanism, especially the issue of state-run businesses, the forms of cooperatives in several sectors, private businesses, pricing, banking, money, accumulation, consumption.... Concerning society, the journal should pay attention to the questions of employment, social justice, elimination of hunger and reduction of poverty, division between the rich and the poor....

Special importance should be attached to articles reviewing models, in particular the models of production centers (such as tea, sugarcane, mulberry and silkworm, coffee, rubber production centers...); attention should be focused on models of state-operate businesses and of distribution and circulation in the new conditions; on models of agricultural cooperatives to be built along the line of bringing into full play the strengths of cooperative member households while consolidating and increasing the strength of the collective of cooperative members....

4. TAP CHI CONG SAN should delve more deeply into the issues of national culture and characteristics and fine national traditions. It should exploit the achievements of our forefathers, not only in the domain of fighting against aggressors but also in other fields such as philosophy, history, science, literature and arts, religion, law, language...

5. TAP CHI CONG SAN has carried, at an early date, articles dealing with the issue of opposing "peaceful

evolution" (issue No. 1-1993). But now it should delve more deeply into this matter because this struggle is taking place everyday, every hour, in many fairly virulent forms.

6. Concerning the party, articles in TAP CHI CONG SAN should clearly show that party building is the key task. There are many subjects, but in the immediate future importance should be attached to the question of heightening the vanguard character and raising the party's standards and intellect. The journal should carry articles written in an attractive, persuasive manner to contribute to developing the quality of cadres and party members, upholding the revolutionary ideal, promoting a healthy way of living, and overcoming the manifestations of vacillation and opportunism. In particular the journal must struggle against corruption, smuggling, and wasteful expenditures.

In the current complicated situation, TAP CHI CONG SAN should feature convincing articles to struggle against and refute allegations against the party (allegations aimed at opposing the party's ideological system, the party's line, and party organizations; and at enticing, winning over, and corrupting party cadres...). The journal must attach special importance to the subjects concerning the cadre issue in order to gradually improve the quality of our contingent of cadres.

Comrade Dao Duy Tung concluded: "In short, we must firmly grasp opportunities, bring into play our advantages, and prevent and overcome dangers in order to achieve at all costs the objectives set by the seventh party congress, not only for up to 1995 but also for up to 2000."

On behalf of the editorial staff and the contingent of contributors, Comrade Nguyen Phu Trong sincerely thanked Comrade Dao Duy Tung and promised the party Central Committee that they will satisfactorily carry out the tasks of the journal.

#### **Firmly Maintain Political Stability and Renovate the Political System**

*943E0010D Hanoi TAP CHI CONG SAN in Vietnamese Feb 94 pp 42-44*

[Article by Le Huu Nghia, assistant professor, MA in philosophy]

[Text] From the lesson of the failure of restructuring in the Soviet Union and Eastern Europe, from the experience of reform in China, and from the realities of renovation in our country over the past seven years, we can affirm that: *it is imperative to firmly maintain political stability if society is to be renovated.* Politics touches particularly complex and sensitive social relationships of which class relationship is the core. Politics is the relationships among social classes and groups in the competition for and the maintenance and use of state power. Therefore, touching politics is touching the state, the social system, the survival of the social system.



Concentration on renovation is possible only if there is political stability; if there is no political stability, nothing can be done. For this reason, political stability is the basis for *social stability* in general; political instability is likely to result in instability in other areas of society.

Two forms of political stability can be seen in reality. There is a form of stability that is synonymous with sluggishness and nondevelopment. Naturally, such stability can hardly last; very often it becomes the cause of instability later on. The form of stability we would like to talk about here is the one linked with development, the form of stability with development and for development. This stability is not a purpose in itself; on the contrary, this stability is only a condition, and it is development that is the purpose. In this sense, *political stability becomes an indispensable condition for and factor of development.*

Political stability is not in opposition to political renovation. Therefore, we should not fear political renovation because of our desire for political stability. To carry out political renovation we must achieve political stability, but to achieve basic, lasting sociopolitical stability, political renovation must be carried out in the right direction and in an efficient manner. Stability must be achieved by means of renovation and through renovation. So, political stability is both a *precondition* for and a result of political renovation. Political stability is *dialectically unified* with political renovation; in stability there is renovation, and in renovation there is stability. Thus, political stability implies alteration and change, but such alteration and change must be in harmony with the set socioeconomic development objectives instead of running counter to it, and basically must be controlled by the leading and managing subjects, namely the party and state. It can be said that, political stability is political renovation carried out in a principled manner and in conformity with our party's renovative line.

According to the aforementioned concept, the task of firmly maintaining political stability in order to renovate politics and other aspects implies the following basic factors:

- Firmly maintaining the party's right to leadership over the political system and all society. This means that the party must really hold power and its objectives, viewpoints, and principles must be thoroughly reflected in its renovative line.
- Firmly maintaining the political system with the state apparatus as a state of the people, by the people, and for the people. Although the organizational structure and personnel of the state may change, the political character of our state must not be changed.
- Firmly maintaining our legal system. Laws may be revised, amended, and refined, but their class nature and their focus on the people's interest must not be altered. This legal system compels all citizens, including cadres, party members, power holders, and party and state organizations to abide by the law.

Over the past years we have recorded very important initial achievements in firmly maintaining political stability and renovating the political system in an extremely complex international and domestic situation resulting from the collapse of the socialist system in the Soviet Union and Eastern Europe, from the intensification of domestic hostile forces' scheme of sabotaging our regime, and from the socioeconomic difficulties which became severe at times. *The successful maintenance of political stability*, as it was done in the recent past, has become a *prerequisite* for ensuring the success of the renovation undertaking. Political stability is also a very basic factor in broadening international relations and attracting foreign capital investment. Political stability has contributed to checking the drop in public confidence in the party and state.

Looking back at the past few years, we can see that our political system has taken a step in renovating the organization and mode of operation of the party and state. The sociopolitical organizations have developed in a more diversified manner, and their social character and initiative have been enhanced. A democratization process has been initiated within the party and in society at large, and democracy has developed further in the economic, political, cultural, and ideological fields. The roles of the National Assembly, the mass organizations, and the mass media have grown markedly.

These achievements would have been impossible if there had been no achievements in economic renovation. Recent economic renovation has been the most outstanding achievement of all, and it is due to economic renovation that political stability has been maintained and the political system has been renovated in accordance with the demand of economic development.

However, the achievements in maintaining political stability and in renovating the political system are attributable not only to economic renovation but also to other important factors such as:

- The roles of various elements in the political system, especially the role of the party. Our party has been able to set forth at an early date a correct renovative line that conforms to objective realities and responds to the masses' aspirations, and has known how to carry out renovation in a principled manner and through appropriate steps.
- Our people and nation, with their tradition of following the party, have voluntarily accepted the party leadership because they do not want to lose political stability and do not want to see the social system collapse. All our people want political stability so that they can "earn their living," develop the economy, and raise their living standards. They do not want political pluralism and multiparty opposition, which will only cause social chaos.
- Our army and security forces, which are always loyal to the party and the people and have considerable experience in defending the fatherland and in firmly



maintaining political security and social order and safety, have actively and effectively opposed the "peaceful evolution" scheme of the hostile forces.

However, next to the achievements already recorded, there remain numerous problems that we must continue to resolve. Specifically, they are the following:

—Recently, our economic renovation undertaking has only recorded initial achievements, and the market economy mechanism has just begun to take shape. There has been considerable confusion in determining the socialist orientation in the conditions of market economy, and both the theoretical and practical aspects of this issue have not yet been clarified. Development of the market economy and multisectorial economy has inevitably altered the social and class structure and, through this, will affect the political system and may cause new complications in the political domain. In addition, the hostile forces are taking advantage of our economic and cultural open-door policy to carry out sabotage with the aim of causing political instability and eventually changing the political direction.

—The regulatory and managerial capability of our state in the market economic is still weak, which may easily lead to chaos and confusion in the economy and society and violations of the law and morality (such as the phenomena of tax evasion, counterfeiting, corruption, smuggling, and so forth...). This is a favorable environment for speculators to collude with degenerate and deviant persons in various state agencies, and this is the chief, direct cause of corruption and smuggling.

—A section of the people, including cadres and party members, and especially the youth, still vacillate in their faith and their socialist ideal, and in their confidence in the socialist path.

—The renovation of organization and of the mode of operation of the party, the state, and the various mass organization is still ineffective. Renovation of the political system is not yet really commensurate with economic renovation, particularly with regard to organization and the management apparatus. The state machinery remains bulky and bureaucratic and has not yet been reformed to any appreciable extent. The legal system is still deficient and lacks uniformity, the effectiveness of laws and regulations remains low, and laws and social order and discipline are still being seriously violated.

The party's activities in the market mechanism still show no little confusion. Many problems concerning the building of the rule-of-law state remain unclarified. An operational mechanism ensuring the unification of power while effecting a division of labor and responsibility among the legislative, executive, and judiciary organs in the conditions of market economy has not yet been clearly established.

—There have appeared a number of factors that may cause political instability: the activities of "peaceful evolution," sabotage, violence, and subversion of reactionaries at home and abroad. Although these factors have not yet led to political conflict, they should not be lightly dismissed; on the contrary, we must fully perceive their complexity, dangers, and consequences at an early date in order to take active measures to guard against, prevent, and overcome them.

From the realities of firmly maintaining political stability and renovating the political system over the past years we can draw a number of conclusions as follows:

1. *Resolutely and firmly maintain and renovate the party leadership and do not accept political pluralism and multiparty opposition.* Recognizing political pluralism and multiparty opposition is tantamount to creating proper conditions for the enemies of the class to rear their heads and to contend with our party for the right to leadership, thereby causing political instability and sabotaging and toppling our regime.

2. *Correctly combine economic renovation and political renovation,* using economic renovation as the basis and political renovation as the key link. When we say using economic renovation as the basis we mean that political renovation must proceed from the economy and in accordance with the demand of economic development. However, this does not mean that political renovation is dependent on economic renovation in a mechanical, totally passive manner as "the tail" of economic renovation; on the contrary, politics must play an *active* role because it is a subjective factor. When resolving economic issues we should have correct political viewpoints. Therefore, to carry out economic renovation there must be at least some political renovation and some renovation of the economic thinking among the basic elements of the the political system, namely the party and state. For this reason, economic renovation is possible only if there is a gradual political renovation; we must take the *initiative* in gradually unscrambling each link of the political system to create proper conditions for economic renovation. For this reason, Lenin on the one hand regarded politics as the concentrated manifestation of economy and on the other hand held that politics must take precedence over economy.

3. *Continue to consider economic renovation to be the focal point,* actively develop the economy, and resolve the pressing problems concerning the people's living standards. Through this effort we must continue to restore the people's confidence in the party and to unravel psychological and ideological entanglements.

4. *Resolve social problems to create a wholesome social environment* for political stability and renovation. To this aim, we must resolve the burning issues; for example, we must effectively combat corruption and smuggling, struggle against obnoxious cultural products coming from abroad to cause moral "pollution," reduce



social injustice, create many more jobs for the people, limit the division between the rich and the poor, and satisfactorily resolve the land issue in the countryside to avoid turning it into a "hot point" likely to cause social explosions. We must heighten vigilance against the "peaceful evolution" scheme and resolutely suppress sabotage, rebellious, and subversive activities of the reactionaries at home and abroad.

### Maintaining Security in the Conditions of an Open Economy

943E0010E Hanoi TAP CHI CONG SAN in Vietnamese Feb 94 pp 53-57

[Article by Le Quang Thanh]

[Text] 1. Over the past years, our party and state have adopted the policy of combining security and national defense, security and economy, and security and culture and ideology, and have made a number of important decisions. Worthy of note are Directive 15 of the Political Bureau and Decision 114 of the government prime minister. In certain aspects, the implementation of these directives and decisions has yielded some definite results and has contributed to further overcoming the socioeconomic crisis, firmly maintaining and consolidating political stability, and creating the necessary premises for gradually shifting our country to a new period of development.

However, these combining efforts have been uneven and have not been well-coordinated and actively mutually supportive; in some places and at times they have been separated from one another and, worse still, have been conflicting, thereby limiting economic growth and political stability. This situation has many causes, among them those concerning perception and thinking and those concerning the management mechanism. In the conditions of the new having not yet definitely emerged and the old having not been completely abolished, it is difficult to avoid the problem that the perception and thinking of many people remain unclear and somewhat deviationist, in particular the tendency to run after economic gains, thereby loosening security and losing vigilance. Within the mechanism itself there remain numerous loopholes that are reflected in policies, laws and regulations, and organization of implementation—loopholes that criminal elements may exploit to sabotage us economically.

In the first six months of 1993—if we count of cases that have been detected only (the number of which is still far too low compared to reality)—there were nearly 1,700 violations of socialist property causing the loss of almost 185 billion dong, among them more than 530 cases of corruption causing the loss of nearly 167 billion dong. These figures represent a fairly marked increase over the first six months of 1992 (during which there were 341 cases of corruption causing the loss of 53.54 billion dong). *Not only has the scourge of corruption been unstoppable but it has also increased, with the number of*

corruption cases going up with each passing day and the losses becoming increasingly greater. Corruption has occurred fairly frequently in many sophisticated forms in many key economic sectors, with the *crime of intentionally committing wrongdoings to embezzle public property* being the most prominent offense. Taking advantage of those areas where there are foreign investment, the administrations of a number of localities have arbitrarily sold land illegally, have even sold standing trees in the forests, have unlawfully exported precious timber, and have been "liberal" to the point of voluntarily working without pay for foreign countries and allowing them to freely exploit their precious, rare assets right in their own land. Many agencies and enterprises have asked to be allocated land for the purposes of building factories and offices, but in fact have traded it for profit. Numerous traders and even a number of Vietnamese joint ventures having the legal status of a corporate body have used the money of foreign businessmen or companies to deal in real state. Sales of land, forests, and sea areas have been reported.

Smuggling has continued to develop in a complex and serious manner in all communications lines: land routes, sea routes, and air routes, and along the northern and southwestern borders. Also in the first six months of 1993 alone, we had detected and dealt with more than 11,000 cases of smuggling, trading of forbidden goods, illegal business operations, and tax evasion, and have confiscated goods worth more than 188 billion dong. Compared to the first six months of 1992 (during which more than 4,000 cases were uncovered and more than 71-billion dong worth of goods confiscated), it is obvious that *far from decreasing, smuggling has in fact increased two-fold.*

2. Along with the domestic economic achievements, our *external economic activities* have been broadened and relations in many forms have been established with numerous foreign partners to help the economy overcome severe trials after the (former) Soviet Union stopped giving aid and unexpectedly reduced its economic and trade relations with us. However, it has become increasingly clear that, besides the positive aspects, our open-door policy has also resulted in no little negativism that has caused difficult and complex problems concerning political security and has further polluted the cultural and social environment. Besides the numerous cases in which we have suffered losses and disadvantages in our economic relations with the outside world, corruption and smuggling have also occurred frequently in our external economic activities. We have uncovered a number of international smuggling channels operated by some foreign traders or organizations acting in collusion with various local economic organizations and management and control organs to bring in contraband or to use Vietnamese territory as a transit center for contraband including narcotic drugs, as Interpol has notified us. Aside from the fraudulent acts of a number of foreign companies and businessmen, there have been "mistakes" with regard to the prices and quality of a



fairly large amount of machinery and equipment imported by none other than our state organs. To date we are still unable to inventory the cases of external economic activities resulting in disclosure of national secrets.

3. With the very important achievements it has recorded over the past seven years, our country is becoming an investment hot point to the capitalist countries. These countries consider Vietnam to be a market with the purchasing power of 70 million people, with abundant resources, with skilled and cheap labor, and with a stable political environment.

We are being faced with both new opportunities and new challenges. The new opportunities lie in the fact that we have new conditions for using—in the position of an independent, and unified nation with a stable political system—the considerable power sources of our country in terms of labor and people, natural resources and geographical position, market potential and the advantage of a country marching behind others, thereby benefiting from the experiences of the countries ahead of it. If we know how to satisfactorily exploit these factors, we will certainly be able to attract the outside world in our economic relations with it, and at the same time to obtain capital and modern science and technology along with experience in market economy management.

In the immediate future, however, we still have to surmount many big challenges. Although our national economy enjoys a fairly high growth rate, this growth is not yet steady, and many mishaps may still occur. Our capital, meager as it is, has been further affected by serious corruption and smuggling, while many sectors, echelons, localities, and units and many leading and managing cadres have spent more than they could afford to, have squandered money, and have allowed serious losses of public property to occur. Corruption and smuggling alone already constitute a big challenge to the economy, not to mention the damage they cause to public order and security, the ideology, culture, and society.

Our national economy has had to enter the race with the world and the region in the conditions of a very low starting point; moreover, it has not yet extricated itself from its crisis. Although we have shifted to the market mechanism only recently, we have to struggle for a foothold in the world market in highly unfavorable conditions: we lack knowledge and experience in competition; price differences are unfavorable; the world economy is in the grip of a recession and crisis and fraught with uncertainty.... This is not to mention the fact that we might make mistakes leading to deviation from the socialist orientation. Looking at the objective aspect alone, we can see that in the renovation process, owing to the change of the model of organization of socioeconomic life—from the *old* model full of errors to a *new* one that has never existed before in history—it is inevitable that micro and macro contradictions will crop up.

4. Meanwhile, the hostile forces have ceaselessly carried out the "peaceful evolution" strategy in new forms; if an opportunity presents itself, they will not hesitate to use violence to intervene from outside with the aim of abolishing socialism in our country or steering our country into their orbit.

To carry out "peaceful evolution" in the conditions of the United States lifting its embargo against and normalizing relations with our country, the hostile forces will surely concentrate on their two familiar trump cards: *democracy, human rights and the free market*. These two cards are bound to each other. Under the "democracy, human rights" label, they will make the most the forms of overt, legal activities to extol bourgeois freedom, to gather and disseminate information, to establish contact with their former agents and to incite extremist elements among the various ethnic minorities and religions to create forces opposed to our party and state. But what they pay special attention to is to incite, divide, and split our internal ranks, to strive to win over those persons who hold erroneous viewpoints, who are degenerate and deviant, and who demand political pluralism and multi-party opposition.

A primary, direct thrust by the hostile forces against the socioeconomic development line and process in our country in their "peaceful evolution" strategy is to take advantage of the investment and economic cooperation channel to promote the capitalist free market. They hope that when the private economic sector (including foreign capitalists investing in Vietnam) accounts for a significant proportion of our national economy and becomes a strong economic force, it may be able to bring pressure to bear to have our line altered. The economic change that would result in political change is to be reflected in the following points:

- Through economic activities, they will seek to create sociopolitical bases, specifically to create class bases, social strata, a social ideology and psychology, and a social way of living in accordance with their intention.
- Through various forms of technological transfer, international trade... they will keep our national economy in a backward, dependent state. (Of course, not all activities of economic cooperation and association of the outside world with us lie in the "peaceful evolution" channel, but reality has shown that such activities are not rare).
- Through various forms such as study, seminars, exchanges of experience, and so forth...they will try to gradually modify our ways of organizing economic management and training our contingent of business management personnel in accordance with their models. Reality has shown that the study of and reference to the management experiences of the outside world through seminars, "refresher" courses, short-term training classes...are very necessary and



useful to us, but they also represent golden opportunities for hostile forces to exploit our secrets for economic purposes—namely to gain high profits—and also for political purposes, a possibility that cannot be ruled out.

—Through investment, aid, and loans... they will bring political pressure to bear and meddle in our country's internal affairs. In fact, a western statesman once said: "We have no blank checks. Economic aid depends on the progress of political democratization."

5. To firmly defend security in the conditions of an open economy, given our country's characteristics and specific situation at present, several different measures should be adopted and uniformly implemented.

In the ideological and political domain, we should see to it that all citizens, first of all the contingent of cadres and party members, in particular the contingent of cadres in charge of economic management and foreign relations, clearly perceive the new opportunities and advantages and even the new challenges and dangers. We should arouse patriotism and national pride, blot out the shame of hunger and poverty, rid ourselves of complexes and rancor, and show unity of will and singlemindedness in striving to achieve the goal of "making the people rich, the country strong, and society just and civilized." We must strongly promote theoretical research and the review of practice, attach special importance to burning issues that need to be resolved to put the people's hearts at ease and to achieve the unity of thought and action. These are very basic issues, such as: concretizing the socialist orientation; relations between socialist construction and national defense, between the class and the nation, and between the state and the international community; resolving the relations between economy and politics in the socialist market mechanism; the polarization of the rich and the poor, class division, the current ideological trends, and so forth....

It is true that a general model is not available yet, and the picture still remains an initial rough sketch; but, anyway, since we have embarked on renovation for seven years, if we pay attention to reviewing our practical activities, we may be able to begin resolving a number of issues.

**We must continue to renovate the party's organization and operations.** Since the sixth party congress, and particularly since the seventh party congress, it has become increasingly clear that stability is a condition for renovation, and fruitful renovation will in turn consolidate stability. If economic achievements create proper conditions for consolidating political stability, then political stability is the basis for renovation to record economic achievements. In a certain sense, economic renovation also means political renovation (renovation of line, policy, management mechanism). The party's strength and capability manifest themselves first of all in the drawing up of its political program and in determining the right direction for national development. At present, we should clarify the socialist orientation and, at the

same time, develop the theory of socialism in Vietnam. Although we cannot demand that a full picture of the models of socialism be completed at once, we should nevertheless gradually explain the theoretical issues of socialism in the conditions of renovation. To continue carrying out the renovation undertaking, the party and state should show high resolve in purifying the contingent of cadres and party members, in particular key cadres—both incumbent and next-in-line—and should consider this the most important issue at present.

With regard to the struggle against corruption in particular, we should make public the assets of cadres, in particular high-ranking cadres from the provincial echelon up, especially in the economic and law-enforcement sectors (the public security, the courts, the organs of control, the customs...). The struggle against corruption and smuggling must be waged from top to bottom, from the party committee echelons to party members. Important court cases should be definitely tried by the law and should not be settled as internal matters. Lawbreakers must be severely punished; the failure to match words with deeds and the practice of making severe threats but meting out light penalties..., which have damaged the prestige of the party and state, must be ended forthwith.

**We must increase the effectiveness of state management and ensure that economic development goes hand in glove with the maintenance of order and security.** In the current first stage, increasing the effectiveness of state management and preventing, overcoming, and limiting the negative effects of the mechanism-changeover period and of the market mechanism itself is an urgent matter. The state should concentrate on satisfactorily performing its macroeconomic management functions. Specifically, these functions are:

—Perfecting the legal system and creating all the necessary, stable, and consistent legal frameworks for economic activities on the basis of the market and the open-door policy toward the outside world. The state should clearly define what may not be done and what may be done only with permission, thereby creating a corridor of free enterprise in accordance with the law for businesses and citizens. In the immediate future, it should promulgate various laws along the line of encouraging investment for development while limiting and prevent social injustices, for example: the labor law, the wages law, the insurance law, the law on taxation and income regulation.... All production and business operations of various units of all economic sectors, including foreign-owned businesses in our countries, must be conducted in strict accordance with the law. At the same time, law-enforcement organs must strictly abide by the law; only by observing the law in an exemplary manner themselves will they be able to maintain the effectiveness of the law vis-a-vis all units and individuals.

—Renovating and strengthening the executive system in all the three domains of organization, personnel, and operational mechanism. The executive system should



be managed in a unified, concentrated, uninterrupted, and highly efficient manner. There should be a clear-cut division of labor among all the three powers—legislative, judiciary, and executive—from the central to the local echelons, and their effectiveness should be brought into full play. Laws are made for the whole country; the local administrations must really fulfill their responsibilities on the basis of the unified legal system and the centralized management of the government, thereby avoiding the state of each sector and each locality acting as a “little king” or a “warlord” and disregarding the law of the land.

- A very important force for the state to use in strengthening management in this respect is the public security, the organs of control, and the courts, which are the ones who directly maintain national security and ensure socioeconomic stability and development on behalf of the state. These protective forces should be better equipped in terms of both perception and material means in order to bring into full play the strength of their individual organizations and to promote close cooperation with one another.
- Continuing to renovate, perfect, and uniformly implement various social policies such as those aimed at creating jobs, wiping out hunger and reducing poverty, providing social welfare, suppressing outmoded customs and social evils... These are both short-term and long-term policies designed to prevent crime and to ensure that economic growth is closely linked with

social progress and justice. Successfully ensuring social justice at a definite level is ensuring order and security. In this spirit, the law must severely punish all acts of enriching oneself unlawfully and must prevent people from enriching themselves by means of excessive and unethical exploitation and by impoverishing laborers. This is the most important point in the relationship between economic growth and the maintenance of order and security.

**We must develop external economic relations in the right direction.** At present our advance is gaining momentum, at the same time we have also come under pressure from many directions. In such conditions, our external relations activities should concentrate on serving our legitimate national interest, namely making the people prosperous and the country strong, peaceful, independent, and marked by social progress. Unlike in past times, today the hostile forces have many means by which to influence our country with the aim of driving us onto the capitalist road or steering us into their orbit, thus making us dependent on them. For this reason, external relations activities should hold fast to the two aspects of cooperation and struggle in order to develop and protect the economy, to defend national security, and to preserve and develop the national cultural traditions and characteristics. We protect our national security (including political security, economic security, cultural security, and social security) by renovating our mode of operation, effectively meeting the requirements of economic development, and creating favorable conditions for external economic activities.



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